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THE TAX-EXEMPT FOUNDATIONS

William H. McIlhany II



ARLINGTON HOUSE / PUBLISHERS
Westport, Connecticut

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William H. McIlhany II

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Library of Congress Cataloging in Publication Data

McIlhany, William H
The tax-exempt foundations.

Includes index.

1. Endowments-Taxation-United States.
2. Taxation, Exemption from-United States.

I. Title.

HV16.M33 361.7'63 80-18336

ISBN 0-87000-445-X

Manufactured in the United States of America
P 10 9 8 7 6 5 4 3 2 1

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Acknowledgments

MY INTEREST in collectivist orthodoxies in the academic world arose while I was a student at Washington and Lee University, 1969–1973. The influence of this trend stood out in bold contrast to the one teacher I had who still maintained a stress on fundamental principles, while most of his colleagues were playing with charts and computers. This was my friend, Professor of Administration Lewis Kerr Johnson, of the School of Commerce, Economics, and Politics. I was able to develop further some analysis of collectivist influences in the social sciences for a senior thesis under the supervision of Professor of Politics Delos D. Hughes.

For assistance with research materials for this book I wish to thank, once again, Myril Creer, Joe Mehrten, and Patrick Mahoney. Also, my good friends Mary Larkin, Steve Eng, Jo Ludwig, Dr. and Mrs. James R. Privitera, and Jim Foley were constant sources of helpful information. And I have benefitted greatly from conversations with Percy L. Greaves, Jr., and Prof. John Hospers. I am, however, solely responsible for the contents and conclusions herein.

Foundation representatives who were kind enough to grant me interviews include: David Z. Robinson and Eli Evans, Carnegie Corporation of New York; Richard Magat, Ford Foundation; the late Dr. John H. Knowles, Rockefeller Foundation; Jack Howard, Twentieth Century Fund; and Ralph McCoy, Teagle Foundation. I appreciate correspondence and information received from numerous others.

Arlington House has been most patient and understanding of the unusual delays encountered on the road to completing this book, and has provided the

always helpful editorial assistance needed to prevent it from being a tome which only I would want to read.

To Norman Dodd there go my greatest thanks and dedication, not only for the vital information he contributed to this book, but for beginning the task years ago to expose what the foundations have been promoting, an effort that he and I are determined to finish.

PART I:

The Past Record of Foundation Activism

ONE

An Introduction to the Foundation World

BECAUSE the world of tax-exempt philanthropy in this nation is so large, both in terms of the numbers of institutions and the amount of money involved, and so varied in concerns and programs, the subject matter of a book such as this must be precisely identified or its complexity would soon become overwhelming. A history of American funds and foundations since the 1890s touches upon or relates to so many issues and concerns that it could easily digress endlessly and be transformed into a history of our civilization during the same period of time. It is just that all-inclusive.¹ It has not been my purpose to write such a treatise but to examine specific symptoms of a very serious problem which many of the big foundations represent.

I have explored the extent to which the small number of overwhelmingly large foundations in America have a consistent individual, or joint, pattern of promoting established, or orthodox, views. I have investigated whether these foundations have promoted philosophical or ideological doctrines to the relative exclusion of other alternatives, doctrines which influence both the course of study in various fields and the kinds of solutions sought to solve social and economic problems.

After presenting my evidence, I will discuss the implications of foundation-promoted orthodoxy and update and explain the course it has taken recently. But first I must set our bearings on the subject.

DIVING INTO THE TAX-EXEMPT WORLD

In 1956 the board of regents of the University of the State of New York chartered a nonprofit educational corporation called the Foundation Center. The center, itself with assets of over \$1 million, is funded primarily by many of the prominent foundations that make up its companion membership organization, the Council on Foundations. Through the center's facilities, with headquarters in New York and regional collections across the country, as well as from its numerous books, periodicals, and research and computer services, one may learn anything dating from recent decades about the more than 26,000 private grant-making and community foundations in the United States.² Although the exact number of these foundations, as distinguished from personal-estate trusts, is unknown because of incomplete or infrequent reporting, on those from which information is available hangs quite a tale.

For example, by 1972-73 the 2,533 foundations described in the fifth edition of the center's massive *Foundation Directory* all had assets of \$1 million or more or were making annual grants totaling at least half that amount.³ Increasing over earlier amounts, the aggregate assets approximated \$31.5 billion and the grants, \$1.5 billion.

The recent Filer Commission on Private Philanthropy and Private Needs concluded its three-year study in late 1975, and in spite of the fact that the investment income and market value of the portfolios of most foundations sharply decreased during 1974-76, the figures continue to inspire sheer awe. Among other things, the commission noted that in 1974 the total estimated income of nonprofit organizations in America was \$80.6 billion. In a rough year for most investors, only \$32.1 billion of that was generated by the foundations through income and service charges, with the balance coming almost equally from voluntary philanthropy and involuntary taxation.

As of that time one-ninth of all property in the United States was owned by tax-exempt organizations. These estimated 690,000 private nonprofit organizations include the 2,533 listed foundations as well as everything from charity drives to civic clubs. This broad class of volunteer groups involved about 25 percent of the population over age thirteen in about 6 billion hours of voluntary work, the value of which was estimated by the Filer Commission at \$20 billion.

It was also reported that nonprofit organizations employed about 10 percent of the nation's active labor force in the service field and about 16 percent of the working professional groups, reaching a total of 4.6 million, or 5.2 percent of the U.S. employed.⁴

The dimensions of this nonprofit world reveal how pervasive is the participation of tax-exempt organizations in all aspects of our national life. It is not just a matter of how many tax dollars we who are not specializing in philanthropy must pay for our profit-making; it is a realistic demonstration that many people who benefit from the economic surpluses made possible by a semimarket econ-

omy are more than willing voluntarily to use their surpluses to satisfy their desire to assist others.⁵

Of the approximately 2,500 tax-exempt foundations on which data is available we note that 40 percent were established during the 1950s, 23 percent in the 1940s, and only 19 percent in the 1960s, with the other decades since 1900 yielding much smaller numbers.⁶ Well over half of these were chartered or are located on the East Coast, primarily in the Middle Atlantic states. Of these foundations, created for specific purposes either out of the estates of industrial and financial giants such as Carnegie, Rockefeller, Ford, and Mellon, or out of the annual profits of major industrial firms among the *Fortune* 500, we find two basic varieties, with a few sharing traits of both.

The majority, including the largest, are grant-making foundations which award funds to individuals or institutions deemed by the foundations' trustees and their administrative staffs (who may or may not be the same people as the trustees) to be worthy and competent to use those funds in the promotion of the foundations' objectives, sometimes specified in the will of the grantor or the charter of the fund. The grantees do their work largely independent of foundation supervision and management. Reports and results must be provided to satisfy the grantor foundation that the work was done, but the grantee is not working as a part of the foundation which assisted him. Under the Federal Tax Reform Act of 1969, which resulted from the fourth and most recent congressional examination of the foundations, these grant-making organizations are required to pay a 4 percent federal excise tax on their earnings and are restricted as to certain new gifts and pay-out requirements. Such foundations retain the option of either spending just their earnings, which fluctuate with the investment markets, or dipping into their principal, unless the trustees' charter forbids it, and eventually spending themselves out of existence.

A smaller group of operating foundations actually conduct, manage and supervise daily the work their funds support. The largest category here is the community foundation, which derives its support from contributors in the limited geographical area of its operations. These foundations are primarily philanthropic, serving community charitable needs. They are not subject to the same strictures of the Tax Reform Act and are able to operate locally because their interests require generally less geographically and professionally diversified talent.⁷

THE MANAGEMENT OF FUNDS

In each type of foundation an administrative pattern has generally developed. The trustees of the funds usually include a majority of persons of accomplish-

ment and wealth, either from the family of the grantor or from among prominent citizens in the local or national levels of the business, educational, labor, cultural, and public-service worlds. Most of these people are very busy and cannot, or will not, devote themselves to the daily bureaucratic routine of reviewing the mountain of grant applications received, making decisions on these, keeping track of funded work-in-progress, and handling public relations, investment strategy, overall policy, and all else that is necessary to keep the IRS content. So, except in those relatively few instances of hard-working individuals in smaller operations, the job functions of foundation administrative staff personnel, or "philanthropoids," have evolved to get the job done. While the trustees have legal responsibility for the management of the grantor's funds which they have received in trust, they have delegated much of this to staff personnel whose goals and values, quite naturally, may or may not be in accord with the grantor's or the trustees' intentions. The trustees meet periodically to approve all grants made by their funds, usually reviewing summary recommendations prepared by their staffs.

THE TOP TWENTY FOUNDATION FUNDS BY ASSET SIZE, 1979

Rank	Assets (\$ in thousands)	Name
1	\$2,291,480	Ford Foundation, New York, NY
2	863,062	Robert Wood Johnson Foundation, Princeton, NJ
3	827,223	W. K. Kellogg Foundation, Battle Creek, MI
4	776,376	Andrew W. Mellon Foundation, New York, NY
5	739,889	Rockefeller Foundation, New York, NY
6	604,389	Pew Memorial Trust, Philadelphia, PA
7	586,902	Kresge Foundation, Troy, MI
8	524,345	Lilly Endowment, Inc., Indianapolis, IN
9	423,492	Duke Endowment, New York, NY
10	420,190	Charles Stewart Mott Foundation, Detroit, MI
11	284,501	Carnegie Corporation, New York, NY
12	255,600	John D. and Catherine T. MacArthur Foundation, Chicago, IL
13	253,455	Alfred P. Sloan Foundation, New York, NY
14	248,443	Richard King Mellon Foundation, Pittsburgh, PA
15	241,039	Houston Endowment, Inc., Houston, TX
16	214,728	J. E. and L. E. Mabey Foundation, Inc., Tulsa, OK
17	194,981	Bush Foundation, St. Paul, MN
18	191,907	James Irvine Foundation, Newport Beach, CA
19	191,816	Edna McConnell Clark Foundation, New York, NY
20	182,392	Rockefeller Brothers Fund, New York, NY

Source: Marianna O. Lewis, ed., *The Foundation Directory* (New York: The Foundation Center and Columbia University Press, 7th Ed., 1979), p. xv.

Undoubtedly many trustees are conscientious about their responsibilities and do not willingly become rubber stamps for their employees. But in each foundation it would be difficult to expect many of these busy trustees, who may never be in close contact with the fund's actual management more than a few times a year, to be prepared to appraise knowledgeably and critically the recommendations with which they are presented. But it is *they* who must approve them. Obviously, the line of least resistance is easiest and most tempting here, with the result that the staff's funding recommendations are rarely reversed, even if there are any differences of opinion raised.⁸

This relationship between trustee and staff functions in most of the major influential grant-making foundations I discuss opens another door in the complex maze of human action which constitutes this subject, one that will be explored further in this study. In most affairs it is called passing the buck.

When a foundation critic of any ideological leaning points with disfavor to a funded study which resulted in conclusions he dislikes, the trustees and staff, if queried, respond that they neither seek nor admit any responsibility for the results of the specific grants they make but only for their intentions upon making the grant. If one extracts an admission that on the basis of past experience, such results might reasonably have been anticipated from the same source which received the grant in question, staff executives are likely to reply that they cannot predict the future and are not thought police seeking grantees for their conclusions rather than for their qualifications and the soundness of their projected work. They might insist they have no way of doing otherwise and want no such procedure. Turning to a trustee with the complaint, one would probably find a lack of detailed knowledge about the project at issue as a result of the fact that "the staff oversees this stuff and should have known better or been more careful." And finally, the staff specialist tells you that he only makes recommendations to the trustees which they alone have the power to convert into grants. They are certainly not qualified for, and probably are not interested in, taking personal responsibility for the outcome of the funded study which has been, let us say, hastily associated in the press with an official position of the foundation, and incorrectly so. "After all," one might be assured by the staff person, "the staff, and not the trustees, are in charge of the continual tracking and indirect supervision of the grant throughout its life by very routine and well established administrative procedures."

And so we have completed an interesting full circle. Except for the grantee, who keeps reaffirming his already established conclusions, nobody is responsible—but everyone *says* he is responsible, or at least that he is acting responsibly, both legally and morally. I put questions about these relationships to foundation administrators; their answers will appear later in this book. For now, we must limit our concern to what is most important for our future, and the statistics once again help us set our course.

Measuring the relative sizes of America's largest donor-sponsored and company-sponsored foundations can be done on the basis of their investment assets,

but a parallel comparison on the basis of the amounts of their yearly grants reveals which are most influential in their fields of interest. During 1972-73 the largest grant-making foundation was the Ford Foundation, with grants of \$224,-368,000, followed in order by the Rockefeller Foundation, the Lilly Endowment, the Kresge Foundation, the Andrew W. Mellon Foundation, the Woodruff Foundation, the Kellogg Foundation, the Robert Wood Johnson Foundation, the Charles E. Merrill Trust, the Duke Endowment, the Charles Stewart Mott Foundation, the Alfred P. Sloan Foundation, the Carnegie Corporation, the Pew Memorial Trust, the Daniel Foundation, the Danforth Foundation, the Commonwealth Fund, the Rockefeller Brothers Fund, the Richard King Mellon Foundation, the New York Community Trust, the DeWitt Wallace Fund, the Ford Motor Company Fund, the Clark Foundation, the Moody Foundation, and DeRance, Inc.⁹

Among the wealthiest tax-exempt organizations, we notice several which, either by their huge assets, longevity, or diversity of interest, constitute the most substantial and influential sources of private contributions to the fields of education, health, the physical, biological and social sciences, welfare, the humanities, international activities, and religion. The names Carnegie, Rockefeller, and Ford clearly dominate here, although the role of numerous other smaller funds, working in similar directions, will not escape our attention. If one wishes to take the pulse of overall foundation influence upon the nation, his concentration must be on these giants and their overwhelmingly large participation in total foundation giving.¹⁰

In recent years the Foundation Center has compiled figures measuring the relative amounts of funds all reporting foundations granted in the seven categories of interest mentioned above. In 1974, 9,596 grants totaling \$701 million were classified. Of these sizable grants (each \$10,000 or more), 28 percent were for education, 20 percent for health, 16 percent for welfare, 12 percent for science and technology, 11 percent each for the humanities and international activities and 2 percent for religion.¹¹

To suggest that the record of grants made by the few most wealthy and influential foundations indicates a consistent pattern in promoting ideological or political goals raises the question of whether the similar conclusions reached by foundation-supported research in the major categories of interest are the result of such intentions on the part of those making the grants rather than the consequences of an available academic market of researchers who are themselves generally limited in their facility for alternative methodologies and conclusions. Even if the latter can be shown to be a general condition at the present time, there is the further question of how much of that development is the result of foundation "crusading" in the past decades against older established methodologies and views.

It is these two questions that I feel must be answered before any critical judgment may be made of the men who have directed the oldest, richest and most powerful funds.

TWO

The Congressional Investigations, 1912-1969

FUNDAMENTAL to criticisms of tax-exempt foundations have been two general complaints. The first is related to the assumption that such a fund is a *public trust*. The government, it is said, has allowed some wealthy people to shelter their vast earnings by giving them over *in trust* to a new entity, the foundation, which is supposed to administer these earnings in a charitable or otherwise socially beneficent way. It may or may not be the case (in twentieth century America it has increasingly become the case) that the foundations are assumed to do privately with their assets more or less what the government would do publicly with that money if it had been tax revenue. In short, the earnings and principal assets of tax-exempt foundations represent untaxed wealth, in place of which must be substituted revenue from the assets and earnings of taxpayers. The taxpayers, so the theory goes, through their government allow the foundations this tax-exemption so long as they live up to this assumed role.

The complaint of violation of public trust, or fraud, then, is heard when foundation practice allegedly deviates from its assumed proper role, and it can take many forms. It usually amounts to the charge that the rich founders of the fund are still, *de facto*, controlling the assets which, by the legal definition of a trust, they were supposed to divest from themselves. Frequently the outcry is against some instance in which the grantor is claimed to be making use of the fund to promote some personal ambition of his own, or that foundation administrators are using the fund's assets for their own benefit, not dispensing the earnings to worthy causes but building their own administrative kingdom.¹

The other category of faulting, my major interest and admittedly harder to prove, is the use of foundation funding for the promotion of ideological or

political goals which are controversial at best and destructive of the entire social system which originally produced the funding wealth at worst. Obviously, this category opens doors far wider than an occasional glimpse at foundation funds illegally aiding partisan political efforts. It has to do with a record of the grants made by a fund consistently going to individuals and groups that are promoting more and more government control over every aspect of human life.

Here we can sometimes come full circle. Wealthy grantors or their living heirs, who are popularly viewed as seeking more power and wealth for themselves, often hold great influence in the national government or among its leaders. And as the power of government is increased by foundation crusading, the political and economic instrument in the hands of those heirs, or relatively at their command, increasingly is able to give them the rewards they seek.

EARLY "SELF-CRUSADES"

The precedent for this practice was probably set by the most famous ideological trust in the English-speaking world during this century. In 1891, South African diamond magnate Cecil Rhodes was serving the first of six consecutive years as prime minister of the Cape Colony. By that year he had also been introduced to many other men of wealth and influence from Oxford and Cambridge. They, like Rhodes, had been idealistically attracted to favor imperialistic expansion of "the English ruling class tradition" as well as domestic "social reform" as both had been stirringly preached by John Ruskin. Rhodes's group of acquaintances, introduced to him by Fabian socialist William T. Stead, a journalist, included Alfred (later Lord) Milner; Arthur (Lord) Balfour; and Reginald Baliol Brett (Lord Esher). On February 5, 1891, they formed a secret society to promote further expansion of British control over the world, particularly aiming at a future merger of Great Britain and the United States into a regional government body. This goal was put forth by their public organization, the Round Table Groups, organized and led by Milner after Rhodes's death in 1902. In spite of Milner's public declarations of fidelity to the interests of the British Empire, much controversy has arisen from the fact that Milner's agents were instrumental both in provoking hostilities with Germany in 1904 through the Jameson Raid in South Africa and in assisting with the financing of the 1917 Bolshevik takeover of Russia. That the Round Table leadership in the British government and press after 1919 spearheaded the drive not only for socialism at home but also for the dismantling of the Empire around the globe has caused researchers to question what the goals of the Rhodes-Milner group really were.²

This question may be hard to answer, but there is no doubt about the goals Rhodes expressed for both the Round Table Groups and the Rhodes Trust

Scholarships. We know that he described the formation of this secret society in a document attached to his Will, a "Confession of Faith," which stated:

I contend that every acre added to our territory means in the future birth to many more of the English race who otherwise would not be brought into existence. Added to this, absorption of the greater portion of the world under our rule, simply means the end of all wars. At this moment had we not lost America I believe we could have stopped the present Russo-Turkish war by merely refusing money and supplies. Having these ideas what scheme could we think of to forward this object. I look into history and read the story of the Jesuits. I see what they were able to do in a bad cause and I might say under bad leaders. In the present day I become a member of the Masonic order. I see the wealth and power they possess, the influence they hold and I think over their ceremonies and I wonder that a large body of men can devote themselves to what at times appears the most ridiculous and absurd rites without an object and without an end.

The idea gliding and dancing before our eyes like a willow—a wish at last frames itself into a plan. Why should we not join [form?] a secret society—with but one object the furtherance of the British Empire, for the bringing of the whole uncivilized world under British rule, for the recovery of the United States, for the making the Anglo-Saxon race but one Empire.³

In this remarkable confession of racial collectivism, Rhodes further details the workings of this secret society and how it should go about enlisting members from the ranks of prominent Britons as well as coordinating their efforts worldwide. Though the Rhodes Scholarships are the best known feature of this scheme, for the execution of which Rhodes left all his property in trust, he saw the plan splendidly helped by a society "not openly acknowledged, but who would work in secret for such an object."⁴ Thus the secret society which Milner later managed was the principal of this activist foundation; the scholarships became only one agency for its purposes.

By 1916, charges were made that the Round Table was following Rhodes's advice to be something more than it pretended to be. In charges similar to those made about that time against several American foundations, one scholar notes that:

The disingenuous character of the Round Table appeared in three ways: (1) it pretended to be a study group when it was really an organization of propaganda and influence aimed at influencing policy; (2) it pretended to represent diverse opinions when as a matter of fact it insisted on unanimity (at least in the London group) and eliminated diverse points of view very quickly; (3) it pretended to be a co-operative organization on an inter-Dominion basis when in fact everything of real significance was controlled from London. A fourth, and in some ways more significant example, which cannot be examined here, was the fact that it pretended to be a single

autonomous agency when in fact it was a multiple, ubiquitous entity whose influence was exercised through many agencies including professorships, periodicals, and other organizations (such as Chatham House, the Institute of Pacific Relations, or the Council on Foreign Relations).⁵

Above all else, the Round Table Groups' real goals were to be concealed from the public and those they would influence, or at least the goals were to be presented in such a way as to make them sound less controversial. Concerning the distribution of Round Table propaganda in Canada, one of its representatives wrote in 1910:

Our task must be to find people there who will absorb these doctrines and preach them to our people, and I am more and more convinced that the simultaneous promulgation of the same doctrine by a few men in all five countries of the Empire is calculated to have a remarkable effect. The important thing is not to spoil the strategic movement by getting one or two parties into action before the rest are in a position to concentrate their fire. . . . Remember, . . . they are far too sensitive, and the criticisms of Canada would tend to alienate many of the people on whose support we must count. Before it can either be shown to Canadians or come near the stage of publication, the first part must be completely re-written. . . .⁶

So the Round Table proposed to indoctrinate and support influential men throughout the world who could use their positions in government, business, education, and the press to advance the secret goals. And the record indicates that, in terms of influence exerted, the ploy was highly successful.⁷

THE AMERICAN ROUND TABLE

The relevance of all this to the growth of American tax-exempt foundations up until 1915 is at once apparent. By that year two of America's greatest industrial tycoons had divested themselves of much of their wealth for presumably charitable purposes. Scottish steel baron Andrew Carnegie had established the Carnegie Foundation for the Advancement of Teaching in 1905, the Carnegie Endowment for International Peace in 1910, and the Carnegie Corporation in 1911, with a combined original endowment of \$160 million. Oil giant John D. Rockefeller, Sr., had established the General Education Board in 1903 and the Rockefeller Foundation in 1913; the two later merged in 1928. At this time only a few other foundations existed.⁸

Naturally, Rockefeller was somewhat motivated to commit more of his wealth to charity as a result of the movement for the graduated income tax, which some say he supported, and which was well underway several years before the Sixteenth Amendment was ratified in 1913.⁹ It is significant that the thrust of most of this early funding was for the upgrading and improvement of general and medical education throughout the world, including salaries and pensions for teachers and the construction and improvement of colleges and medical schools.

It was admittedly more than a desire for good public relations that led Andrew Carnegie to establish his pioneering funds, also before there was an income tax from which they would become exempt. His expression of idealism in 1893 already sounds familiar:

Time may dispel many pleasing illusions and destroy many noble dreams, but it shall never shake my belief that the wound caused by the wholly unlooked-for and undesired separation of the mother from her child is not to bleed forever. Let men say what they will, therefore, I say, that as surely as the sun in the heavens once shone upon Britain and America united, so surely is it one morning to rise, shine upon, and greet again the reunited state, the British-American Union.¹⁰

As late as 1939, functions held by the elite Anglo-American Pilgrim Society, one of several clusters promoting the reunification scheme, could boast the company of John D. Rockefeller, J. P. Morgan, and their associates.¹¹ Andrew Carnegie, however, had looked back to an earlier generation for his ideas. He wrote in 1904:

Some have been disposed to regard British federation as a possible fourth alternative, but the figures given, which convinced Rothschild and Rhodes, we submit, compel its exclusion, especially to such as seek for my motherland, as I do, a destiny worthy of her—a future commensurate with her glorious and unparalleled past.¹²

Carnegie had already noted that a merger of Great Britain with America would give America all that was to be gained, largely at Britain's expense. He and his followers resolved that they would promote some kind of an elite international consciousness as a workable substitute. He continued:

Let us rejoice that this is open. Her Canadian and republican children across the Atlantic will hail the day she takes her rightful place in the high council of her reunited race—that race whose destiny, I believe with faith unshaken, is to dominate the world for the good of the world.¹³

The thoughts here expressed both echo the Round Table Groups in London and set the pace for the activities of the several Carnegie foundations which we shall review. But in 1915 public attention was being directed at Wall Street's charitable enterprises, not for their promotion of international collectivism, but rather because it was said the Morgan-Rockefeller-Carnegie interests were using the cloak of philanthropy to disguise their violations of the law in pursuit of profit.

THE WALSH COMMISSION

As the 1912 election that would send Woodrow Wilson to the White House approached, Congress established on August 23 a Commission on Industrial Relations to "inquire into the general condition of labor in the principal industries of the United States." It was chaired by Kansas City attorney Sen. Frank P. Walsh and held lengthy hearings between 1913 and 1915.¹⁴

Initially concerned with the growth of the labor movement and industrial reform throughout America, its attention shifted to the tax-exempt foundations, particularly Rockefeller's and Carnegie's, following the so-called Ludlow massacre of April 20, 1914, at the Rockefeller-controlled Colorado Fuel and Iron Company. The commission heard extensive testimony that the Rockefellers had made the citizens in two mining counties of southern Colorado dependent serfs, living miserable lives on subsistence wages. In response to the strike by the United Mine Workers Union (already under Communist influence), state militia had engaged some of the strikers in violence that resulted in the death of forty-four men, women, and children.¹⁵ We cannot become sidetracked with the issues involved in this incident, but because of the public outrage against the Rockefellers over it, the family immediately sought to repair its image. While the Walsh Commission was hearing testimony, the Rockefellers hired someone to conduct a study on the same matters, a learned graduate of several Rockefeller-supported schools, William L. Mackenzie King, later Liberal Party prime minister of Canada. This ploy, attacked by Walsh as an attempt to supersede his inquiry, was not as successful as Rockefeller public relations genius Rev. Frederick Gates's idea that John D. Sr. should pass out dimes to crowds of children.¹⁶

Various fears were expressed by the witnesses before the commission. Socialist clergyman Dr. John Haynes Holmes found the "autocratic administration" of the major foundations fundamentally at odds with "democratic administration" in America, but this may have been because he was irrevocably opposed to any private ownership and administration of wealth at all.¹⁷ Attorney Louis D.

Brandeis, later a U.S. Supreme Court justice, stressed the danger of an interlocking concentration of economic power which could result from the growth of foundations. He feared the development of a corporate "absolutism" that, though initially benevolent, would expand beyond the reach and control of both business and government.¹⁸

Two other contemporaries of similarly leftist leaning seemed not to share all these fears. Former Columbia Law School Dean Dr. George Kirchwey, father of the liberal *Nation's* Freda Kirchwey, found the possession of great wealth by the Rockefeller Foundation far preferable to having those same assets in the pockets of the Rockefellers themselves.¹⁹ Although U.S. Steel counsel Samuel Untermyer likewise held no distrust for the philanthropists' motives—he, too, was a wealthy philanthropist—he did object to the manner in which the Rockefeller Foundation was established. He contended that because Congress had refused to grant the Rockefeller Foundation a charter with virtually no limitations regarding the fund's assets, life, and activities, the family had used its influence in the state of New York to get a satisfactory charter there. He said,

If New York had not given them what they wanted they would have passed along from State to State until they found a corporate habitation on their own terms, without in the least interfering with their operating wherever they chose. This ought not to be possible.²⁰

Untermyer further proposed that the foundations should be chartered by Washington, structured under federal law, and occasionally have government representatives among their trustees. He also thought the charters should have a limited duration, restrict the size of the trust, and prevent it from accumulating income.

In the commission's majority report, Research Director Basil Manly wrote of the danger that the collected wealth of the foundations could monopolize education and social service in America, a complaint that would be repeated later:

The control is being extended largely through the creation of enormous privately managed funds for indefinite purposes, hereinafter designated "foundations," by the endowment of colleges and universities, by the creation of funds for pensioning teachers, by contributions to private charities, as well as through controlling or influencing the public press. . . . The funds of these foundations are exempt from taxation, yet during the life of their founders are subject to their dictation for any purpose other than commercial profit. In the case of the Rockefeller group of foundations, the absolute control of the funds and of the activities of the institutions now and in perpetuity rests with Mr. Rockefeller, his son, and whomsoever they

may appoint as their successors. The control of these funds has been widely published as being in the hands of eminent educators and publicly spirited citizens. In the case of the Rockefeller foundations, however, . . . the majority of the trustees of the funds are salaried employees of Mr. Rockefeller or the foundations, who are subject to personal dictation and may be removed at any moment.²¹

Manly could point to many examples in the commission testimony which supported his allegations. State laws which only prohibited the foundations from profitable ventures allowed them to promote any desired religious, political, or economic belief, as well as ingratiate their founders, at public expense, into new circles or markets of potential business for their corporations. In fact, the New York Bureau of Municipal Research had accepted Rockefeller policy stipulations in order to receive grants, and several colleges and universities severed ties with church bodies in order to receive Carnegie Corporation endowments. Manly's report noted:

It would seem conclusive that if an institution will willingly abandon its religious affiliations through influence of these foundations, it will even more easily conform to their will any other part of its organization or teaching.²²

From this perspective the commission recommended a greater control by the federal government over the foundations. It urged Congress to limit the size and power of the funds, limit both their retention of income and the amount of expenditures yearly, and place their operations under continual scrutiny by Washington. If the foundations were to be permitted at all, it urged that the federal government should begin an active competition with them by getting into the unprecedented business of subsidizing education and medical and social services on a national level. In short, the foundations and the U.S. government would be, although rivals, partners.

And what had been the Rockefellers' self-defense in response to all this? In mid-1915, John D. Rockefeller, Jr., testified before the commission. He defended the interlocking directorates that existed among the foundations and corporations, saying, "Our office staff is a sort of family affair. We talk over all kinds of matters of a common interest. We have not drawn sharp lines between business and philanthropic interests."²³ Although John D. Jr. did assert the "public's right to know" about foundation matters, and through government to control them, he hesitated to accept any procedure for broad public exposure. Claiming that he and his father had resolved not to have strings tied to those who received grants, he admitted there was a danger that funding could inhibit independent thought in the educational world, adding, "If the giver retains any kind of control, I think it unwise."²⁴ Most interesting of all, this capitalist heir

fully assented to the authority the commission felt government had to redirect the course of private foundations in conformity with government policy. He stated:

These foundations, as is true of all modern corporations, are subject to the reserved power of legislative bodies which created them—to modify or repeal their charters whenever the public interests require.²⁵

It must have been somewhat reassuring to the likes of witnesses Holmes and Kirchwey that such a capitalist figure as John D. Rockefeller, Jr., had enunciated their creed of government control over property. But it is at least possible that they knew the commission's findings, including some very valid objections, would be pushing things their way.

INSPECTING WALSH

Little attention has been given to the makeup and motivations of the commission and its chairman, Senator Walsh. The impression is given that the heat of the investigation, along with all kinds of populist resentments in general, drove the Carnegie and Rockefeller foundations into quite timid and safe support of medicine and science, as well as higher education in many institutions. But what usually goes unnoticed is the fact that the commission fostered not so much any immediate control over the foundations by government as it did the growth of government spending and control in education and social service. If the foundations would ever need an excuse for their promotion of this trend in later years, as we shall see, they could say honestly that the Walsh Commission implied that it would be necessary to their continued existence.

Why would this investigation, involving so many professed enemies of the Wall Street interests, leave the foundations virtually uncontrolled, in spite of the recommendations, but push for a cooperative and insulated growth on the part of both them and government? It is not difficult to understand why the Rockefellers would want the government to adopt programs that supported their private interests.²⁶ The Carnegie foundations would have little to fear from a government that was also doing what they were doing. The only explanation that clarifies why the commission promoted this version of corporate-state collectivism appears to lie in its personnel.

A look at Senator Walsh's work after 1915 reveals an interesting pattern. In 1916 he served on the American Neutral Conference Committee, one of a

succession of committees organized by Jane Addams and Emily Green Balch to promote a settlement to end World War I. This committee was effectively managed by Balch's associate, Rebecca Shelly, a representative of the Stockholm-based Conference of Neutral Internationalists and Pacifists, a Swedish effort Henry Ford had backed but abandoned after it fell under the control of pro-Bolsheviks whom Shelly represented. Publisher B. W. Heusch and Rabbi Stephen S. Wise were among the socialists on the Executive Committee, and a vice-chairman was Walsh Commission witness Dr. George Kirchwey.²⁷

Walsh's long career of defending the Communist movement in America actively began the following year. As has been related elsewhere, in 1917 leaders of Addams-Balch "pacifist" groups separated into two factions.²⁸ The most militant leftists remained at work as the National Civil Liberties Bureau, which would become the American Civil Liberties Union in 1920, under the leadership of Roger N. Baldwin. NCLB activists expanded their defense of wartime conscientious objectors to include Communist agitators in violent labor disputes, which certainly made Wall Street's high-level crusade to get America into the war look patriotic by comparison. And on December 26, 1917, we find Frank Walsh, then cochairman (with former President William H. Taft) of the War Labor Board, writing a letter of introduction to the NCLB for two members of the Defense Council of the Communist-dominated Industrial Workers of the World.²⁹

By 1920, in response to growing domestic subversion, the Justice Department began active prosecution and deporting of participants in the Communist movement. This produced a written response from, among many others, the National Popular Government League, an ad hoc committee affiliated with the ACLU and the Fabian Socialist League for Industrial Democracy. Among the signers of its "Report Upon the Illegal Practices of the U.S. Department of Justice" were attorneys Felix Frankfurter and Frank Walsh.³⁰ In 1922 a raid by the Justice Department on a cache of hidden Communist documents in Bridgman, Michigan, produced extensive evidence of the conspiratorial activity in America and more than enough material for prosecution of leaders revealed by the documents. The attorney of record for the Communist defendants at Bridgman was Frank P. Walsh.³¹ He also was hired by the Communists in 1927 to defend comrades Ben Gold and Isidor Shapiro in New York.³²

In case this work, which put Walsh on the ACLU Board of Directors from 1924 to 1935, seems to indicate a pure concern on his part that the civil rights of those with unpopular ideas be protected, we should note something else.³³ In 1922 a number of Americans visited the newly established Soviet Union, assisting with relief efforts for the Russian people starving from the ravages of war and government-created famine. These efforts, in which American money participated usually on humanitarian grounds, provided a virtual guarantee that the Bolshevik regime would remain in power, and enlisted both Walsh and commission witness Dr. John H. Holmes as Moscow visitors from the national committee of the American Committee of Relief for Russian Children. Not satisfied

with helping needy Russian children, Walsh returned to the United States by way of Montreal. He immediately launched a crusade, bitterly denouncing the U.S. government for failure to recognize the Communist regime in Russia, and he contributed to fabrications others were spreading that were highly complimentary of Lenin's regime.³⁴

Until recently a pattern of contradictory positions such as those taken by Walsh and Holmes has been difficult to understand. It is now known that the Bolshevik Revolution that they championed was assisted by the Morgan-Rockefeller Wall Street interests.³⁵ The question naturally arises why Walsh and Holmes would support a system of state capitalism in Russia, so vital to Rockefeller interests, having openly spoken out against the dangers of a corporate state resulting from Rockefeller and other foundation influence at home. If the people behind the Carnegie and Rockefeller funds wanted a government powerful enough to give them monopolistic privilege against potential competition, it is possible that they might be willing to support their opponents if those opponents were willing to press for more government control over the economy. In this light, particularly worth noting is the fact that both the American Neutral Conference Committee and the National Civil Liberties Bureau were direct outgrowths of the organized "pacifist" network originally established and heavily funded by Andrew Carnegie.³⁶

THE SPIRIT OF WALSHISM IN THE 1960S

At this point it is necessary to depart briefly from the chronological sequence of congressional inquiries into foundation activities. The congressional investigations of the 1960s were more closely related to those of 1913-1915 than to those of 1952-1954. Leading to the Tax Reform Act of 1969, the investigations of the 1960s concerned themselves primarily with the same kinds of abuses that had occupied the attention of the Walsh Commission. Since that category of complaints is not central to my thesis, I would prefer to go ahead and briefly describe the activities of the 1960s, clearing the way for my concentration on the issues raised in the early 1950s.

ONE-MAN BAND

When Texas Rep. Wright Patman retired from Congress in 1976, a year after losing his powerful position as chairman of the House Banking and Currency

Committee, which he had held for twelve years, Washington may have lost its last true populist. Until then the congressman with the longest record of service (forty-eight years), Patman was a target for attack from all sides. There was no question about his constant push for the government to increase the money supply, a factor which identified him to conservatives as a promoter of inflation and economic controls. On the other hand he was the most outspoken critic in the Congress of the Federal Reserve banking monopoly the left sanctioned. Perhaps the only major issue on which he failed was his repeated call for an audit of the Fed by the General Accounting Office.³⁷

In any event, with personal staff assistance in 1961 he took upon himself a most ambitious task. As chairman of the House Select Committee on Small Business, he began a study of questionable practices by foundations and turned that study over to his committee for completion in 1962. By December 31, an initial report of Patman's findings had been published for use by the committee.³⁸

Patman cited examples of a variety of abuses from data collected on 534 organizations. Some smaller family trusts had failed to file all the reports required by the Treasury Department during the prior decade, and Patman complained that the IRS had tolerated it. Often the reports examined by Patman's staff were illegible, incomplete, or just sloppy, again indicating a laxity of IRS supervision. In order to get all the information he needed, Patman subpoenaed records from a number of reluctant philanthropists, including members of the Ford family in Detroit, something to keep in mind when reading criticisms of the Patman investigation by foundation apologists who complained that they were denied a fair hearing.³⁹

Although it apparently escaped the attention of at least one spokesman, the reason Patman's small business committee was concerned about foundations was that so many of them were unfairly benefitting from, in effect, tax-subsidized competition with private enterprise.⁴⁰ Not only were foundations controlling tremendous market power by their majority holdings of major corporation stock, as well as serving as tax-escaping reservoirs for stock being unloaded by related corporations, but the report cited instances of business lost by private firms because nonprofit organizations were able to compete more effectively by offering the same goods or services at cost. The protected agencies were not just keeping pounds of flesh from the IRS; they were putting others out of business.⁴¹

In St. Paul, Minnesota, three family foundations were buying service stations from major oil and industrial concerns and then leasing them back to their former owners. The big corporations sought this arrangement because it amounted to a safe way to use the market value of their assets as capital while at the same time not risking the loss of it. The venture capital thus made available increased the ability of those corporations to expand their markets and resources against the strength of smaller competitors. I would certainly have nothing but respect, if not good wishes, for this approach in a free market economy. This time, however, somebody's untaxed dollars were provided to squeeze out somebody else who had only taxable ones.

Because of the tremendous volume of blue chip equities held by the big funds, among those topics which Patman proposed in 1962 for further study was the role of foundation-related institutional investment policy in influencing temporary gyrations on Wall Street. He suggested further examination of the practice of some foundations in accumulating substantial income while spending relatively little of it on charity, and he castigated big operations like the Ford Foundation for spending as much as 10 percent of their income on self-serving public relations.⁴² Particularly obvious as abuses were close transactions between the grantor, his family, and the foundation they created. These took the forms of foundation donations to the grantor's business, foundation loans at below-market rates, and the practice of the grantor or his family members either serving as paid administrators for, or voting the stock of, their assets after they had been placed in trust.

In response to the problems he detected, Patman initially proposed a system of ever-stringent government surveillance of foundation activities, to compensate for what he saw as the IRS's miserable performance. One way he thought this could be accomplished was by an immediate moratorium on further charting of tax-exempt foundations until the investigation was completed and the imposition of a twenty-five-year maximum life on all existing charters. In support of his position, Patman made reference to the Julius Rosenwald Foundation. Prior to his death in 1932, Chicago industrialist Rosenwald had specified that the fund which would bear his name must be limited in duration to twenty-five years, fearing that longer terms would create bureaucracies and trusting that after twenty-five years his family and others would be able again to provide for the future.⁴³

In short, Patman unleashed a barrage of charges against procedural abuses of the foundations that would occupy congressional investigations under his leadership throughout most of the rest of the decade. In essence, he was claiming, true to his populist image, that after Teddy Roosevelt had "busted" the corporate trusts of the Rockefellers, Carnegies, Morgans, and others, they had simply established trusts under their control through which they exercised renewed rights to the same assets they had supposedly forfeited by law.⁴⁴

The second installment of Patman's report, again actually compiled under the direction of H. A. Olsher of his staff, was a heavily documented collection of several case studies involving, once again, relatively minor family foundations which well illustrated the interrelationships and transactional abuses summarized in the first installment. True, the dealings of these six privileged entities were of little concern to the vast majority of Americans, but bringing them to light amounted, for the foundation world, to embarrassingly clear indications of tax-protected profiteering behind the cloak of philanthropy. In these instances, Patman went out of his way to show that this kind of "charity" really begins at home.⁴⁵

The third installment in this now yearly series was everything you always wanted to know, and then some, about the Alfred I. du Pont estate and its

affiliate, the Nemours Foundation.⁴⁶ Resembling the nightmarish homework assignment of a graduate student in accounting, the report contains reproductions of more than a decade of the du Pont estate's annual reports and tax returns, along with the deceased's massive will and most current figures on the holdings of the estate and the Nemours Foundation. The point of all this was that the estate, following du Pont's demise, was providing his widow with a mighty yearly income, much of which she donated to worthy causes (including my alma mater), but was to transfer its assets at her death to the Nemours Foundation.

Ever mindful of the seven billion tax-exempt dollars which escaped federal coffers in the 1950s, Patman was concerned that the Treasury Department was doing nothing to stem the tide of a tax base that was increasingly shifting to the middle-class producers outside the foundation formula. Most interesting of all in his brief introductory comments to the report, is his discussion of Treasury Department Assistant Secretary Stanley S. Surrey. Patman was noticeably perturbed by the inertia of Surrey's employees in response to the charges he had made and even more disappointed by the composition of the Advisory Committee on Foundations the treasury staff had acquired to assist them in implementing Patman's reforms. Surrey asked Patman on September 12, 1963, to keep the names of the members of the committee confidential since "the group could conceivably feel less inhibited in examining these issues if their role was not distorted by the inevitable magnification that comes with extensive publicity." Patman provided that "magnification" shortly thereafter because he must have felt that the roles of ten foundation-kept spokesmen, including Foundation Center President F. Emerson Andrews, among the fourteen members of the committee were already subject to distortion. The Walsh Commission mandate for close government-foundation partnership was fulfilled when Patman appraised Surrey as "one of the principal apologists for the large foundations."⁴⁷

For this installment Patman had stepped down from his position as chairman of the Select Committee on Small Business and became chairman of a subcommittee for investigating foundations. In this position he next issued a report on December 21, 1966, that was a narrative survey of further illustrations of the misuse of foundation funds. Examples were cited of foundations that did little more than provide jobs for their staffs, including the Government Affairs Foundation, established by Gov. Nelson Rockefeller in New York in the early 1960s "to improve quality and reduce quantity of government." Patman notes that it primarily accomplished the improved lifestyle of a former New York lieutenant governor.⁴⁸ Citing examples of questionable tax-dodging by several funds, Patman expressed doubts as to the fidelity of the fund managers to the founders' ideals. And he made a point to question some research funded through a foundation with Andrew Mellon money. The Texas Democrat did not consider that funds that would otherwise have been public, were being usefully spent in the study of the works of Hugo von Hofmannstahl, the phenomenology of Iranian religious consciousness, and the origin and significance of the decorative

types of medieval tombstones in Bosnia and Herzegovina.⁴⁹

One remarkable statement in this report merits quoting at length because it, in the mid-1960s, echoes the issues involved in the early 1950s investigations to be discussed. After the lack of foundation funding for new ideas and approaches in academic research is mentioned, the foundation marriage to government is criticized:

Being content to support what one ex-foundation president wryly described as "the leftovers from the Government's table," foundations thereby contribute to the trend of reliance on big government—a reliance which most of the trustees associated with the foundations are among the first and loudest to condemn. And even in their benevolences they often imitate what they decry in Government subsidies—"strings." Increasingly educators are finding that foundation dollars are tied to an angle. Support for pure research is becoming rarer. As Frederick M. Raubinger, New Jersey State commissioner of education, once observed: "It seems to some of us that in some instances the announcement of a grant for experimentation is made simultaneously with the announcement of the results of the experiment."

G. K. Hodenfield, Associated Press education writer, after surveying leading educators across the country, found that similar complaints were felt, and sometimes voiced, regarding many projects sponsored by the Ford Foundation. It is alleged that, before experiments in educational television were well underway, Alvin C. Eurich of the Ford Foundation was announcing their results: "... students learn as well or better by instruction over television as they do in traditional classroom work." According to newspapers reports, the American Association of School Administrators has warned its members against permitting big grants to shape philosophies, a warning that perhaps was triggered in part by the fact that one foundation refused to award a grant to a State university's department of economics which had taken a strong position favoring free enterprise. This, said foundation trustees, was a "biased" position. An official of the American Association of School Administrators has stated his belief that one large foundation "holds a veto power over the appointment of the presidents of at least half the private colleges and universities in the United States"—which, even if it is a grossly alarmist position, still leaves ample room for concern. If nothing else, it is significant that the arrogant manner in which some of the foundations conduct their business gives the impression of tremendous undercurrents of control.⁵⁰

The remainder of this, Patman's fourth installment, was occupied with case histories of small funds that had received assessments from IRS for their practices, followed by a listing of surveyed foundations' disbursements against their receipts.

Two more gigantic publications followed in 1967 that were of specialized interest. Patman's fifth installment was a document wonderland all about the Irvine Foundation, which in 1937 acquired a majority interest in the Irvine Company that owned 88,000 (now 77,000) acres, or almost 20 percent, of very

valuable real estate in Orange County, California. The report, worthy of a Perry Mason episode, deals with the battle waged by donor Irvine's daughter and others against the Irvine Foundation over its right to its assets and subsequent management of them. Of interest only in California despite the vast wealth involved, this case received renewed attention in 1977, when a combine of investors including Joan Irvine Smith succeeded in outbidding Mobil Oil and purchased the majority interest of the Irvine Company from the foundation at a reported bid of \$337.4 million.⁵¹

Patman also held hearings that year on a scheme that was establishing private family trusts for the obvious purpose of tax avoidance, if not evasion. The trusts were designed by a group which called itself ABC (Americans Building Constitutionally), using a format that is fundamentally the same as has been recently promoted under the name of a "Pure Equity Trust." The representatives of ABC would, in return for a fee that was high considering the routine procedure used, assist a person in establishing a living trust under the name of a family or anything else. The grantor would give the trust some of his property, such as his house and car, and perhaps even assign his labor as "lifetime services" to the trust. The trust's beneficial interest in this property would go primarily to relatives or friends, in order to make the trust appear valid. But the grantor would remain as a trustee for the trust he created, still enjoying the use of its assets as before when they were still his, and receiving his only taxable income in the form of a management fee. This he paid himself, while his other income went directly to the trust and escaped taxation by being consumed by a multitude of very imaginative trust "expenses." Naturally, this sounds like pennies from heaven. And some intelligent Americans, knowing fully the arbitrary and unconstitutional powers that the courts have allowed the IRS to assume and who, therefore, should have known better, were caught up in this scheme reasoning, "If the Rockefellers can do it, why can't I?" Many learned subsequently, to the tune of stiff back-tax assessments and penalties, that the IRS was not going to be abolished in our courts. And although this scheme is still being promoted today, 1975-1978 IRS revenue rulings made clear that its most sensational alleged selling points cannot be trusted.⁵²

A sixth installment appeared in March 1968, and represented a fitting summary of Patman's concerns, as they would lead to the limited taxation and restrictions put on the foundations by the tax reform act of the following year. Another collection of documents substantiated the following complaints. In the face of a war that drained the nation's resources and a gold drain to fill the gap in balance of payments, the Ford Foundation, for example, had funded twenty-five Middle East and African governments in 1965-67, and many of those were strongly pro-Communist. Not only that, but instances could be cited where the Rockefeller Foundation had used figures most deceptively to mask from superficial observers the amount of their grants going abroad.⁵³

Appropriately amusing, the report castigates McGeorge Bundy, then the new president of the Ford Foundation, for, on the one hand, removing the traditional

listing of Ford Foundation investments from the foundation's annual reports, while, on the other hand, speaking out forcefully against colleges that he said never "made it their business to tell the whole story of their resources and their obligations, their income and their expenses, their assets and their debts, in a way which the public can fully and fairly judge."⁵⁴ Targeted again were many examples of foundations which served as holding companies for industrial stock that antitrust legislation had supposedly dispersed, the fact that more and more giant fortunes were passing untaxed at death from the estates of Henry Luce, Walt Disney, and others to foundations, while everyone else's taxes were going up, and the fact that more and more control of the nation's major industries was falling into foundation hands. We are told such interesting stories of misuse as the case of late Arkansas Gov. Winthrop Rockefeller's Rockwin Fund, which paid over \$100,000 to a geologist between 1959 and 1966, and received in return 104 pages of information about Arkansas water resources. Patman kindly reproduces the fruits of this labor in the installment for all interested readers. In another case of misuse, we are led to feel sorry for the Rockwin Fund, which somehow purchased 50,000 copies of Mary Ellen Chase's 1950 biography of Abby Aldrich Rockefeller. After buying these books in 1965 at twenty-three cents each "for resale," the fund discovered that it could not sell them at a profit due to copyright problems involving overlooked parties: the author and publisher. So, true to form, Rockefeller bought back the copies (which had been purchased from one of his friends) at cost, donating some to the Abby Aldrich Folk Art Collection in Williamsburg, Virginia, but, no doubt, was left at the time of his demise with "quite a number of these books in storage."⁵⁵

In conclusion, Patman reiterated his conviction that such practices had increased because the IRS, and the Treasury Department above it, had been unable or, more likely, were unwilling to interfere. Although the Tax Reform Act of 1969 addressed that problem, Patman could point to the stupendous performance of Treasury Secretary Henry Fowler, who, in his testimony before the committee, extolled the virtues of the foundations and begged for them to be left alone with eloquent allusions to everyone from God to Sir Thomas More.⁵⁶

In the light of what will follow, it is worthwhile to mention the response Patman's long inquiry received, not just from lyrical performers like Fowler, but from the foundation world and mass media generally.

A very representative spokesman for foundation interests, Warren Weaver, wrote:

There is no doubt that the illumination furnished along with the heat of Patman's spotlight has resulted in more stringent reviews of foundation conduct and important movement toward tighter regulation of the areas of permissible functioning. This is undeniably good. Patman turned up some instances of atrocious behavior on the part of a very few foundations. Their number is almost negligible as compared

with the number of well-behaved foundations, but certainly the instances of bad conduct are flagrant enough to require attention.⁵⁷

Although Weaver missed the point that the number of foundations Patman mentioned was not nearly as significant as the percentage of total tax-exempt assets the major ones criticized represented, his remarks generally reflected the published response from philanthropic kingdoms. Articles like that in *Newsweek* and editorials in papers like the *Los Angeles Times* either provided comforting public relations for the major foundations, or, while nodding to occasional misbehavior and lauding the foundations' promotion of more government programs, begged that they be left alone to continue business as usual.⁵⁸ A feature article was written for the *Washington Post* in 1969 by John W. Gardner, then the chairman of the Urban Coalition, which soon changed its name to Common Cause.⁶⁰ Gardner objected at length to the 5 percent tax the Treasury was imposing on foundation earnings, claiming "that abuses have been infrequent." He maintained that a diminishing of foundation resources would make grant recipients "turn more insistently to federal support." He seemed worried, reminding us that

tax exemption is a means of preserving the strength of the private sector and insuring that our cultural and educational life is not wholly subject to the monolithic dictates of government. It would be quite possible for a nation to insist that government be the sole source for all educational, scientific, charitable and perhaps even religious activities.

But our policy of tax exemption asserts that it is in the public interest for many varied groups outside of government to be engaged in charitable, religious and educational activities. The policy is based on the wise conviction that we will be better off if these activities so crucial to the core of our national life are participated in by individuals with a wide range of points of view.⁶¹

Why would this manifestly outspoken champion of the private sector against the machinations of big government say "the leading foundations have been the most reputable and distinguished organizations in our national life" after Patman had shown examples of their use of grants to regiment academic philosophies? Perhaps he had not read the installments or did not expect that his readers would do so. Actually, for all his fears of big government, he had been during 1966-68 Lyndon Johnson's secretary of HEW, presiding over that dictatorial bureaucratic monstrosity as it continued to grow. The foundation world could hardly have found a better spokesman than Gardner, a former president of the Carnegie Corporation. This may be why he was so successful in obtaining in that same year, 1969, grants of almost \$3 million from the Ford Foundation for his Urban Coalition, only partially paid out before it became Common Cause the

following year.⁶² And while the Urban Coalition was promoting more and more government programs, John Gardner was pretending to defend the foundations from government, but more likely was representing those who were desperately trying to stop the public inquiry before it assumed the tone of the early 1950s.

ANTICOMMUNISM AND THE COX COMMITTEE

As America entered 1952 much public attention was focused on widespread disclosures of Communist infiltration in government and all other sectors of national life. The charges of Sen. Joseph McCarthy and still earlier extensive investigations of the House Committee on Un-American Activities had produced justifiable concern that the United States, after so much of Europe and Asia had fallen with the end of World War II, was also in the path of conquest by international communism.⁶³

Attention to charges of Communist penetration in Washington centered in early 1952 on disclosures made by the Senate Internal Security Subcommittee, after a year of hearings, that much of the Roosevelt-Truman foreign policy that led to the fall of mainland China to the Communists was deliberately calculated to produce that result. The private organization which influenced or supplied so many of the State Department personnel responsible for shaping Far East policy was the American Council of the Institute for Pacific Relations. The IPR, founded in 1925, was by far the most influential source for all information about China in this country. It has already been mentioned that the Rhodes-Milner Round Table Groups supported and used the IPR as an extension of their strategy for global power. But the Senate subcommittee concluded:

The IPR has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda and military intelligence. . . .

The IPR was a vehicle used by the Communists to orientate American far eastern policies toward Communist objectives.⁶⁴

During the IPR hearings it was reported that the institute had received a very substantial portion of its funds up until 1950 from several major tax-exempt foundations:

The work of the international Institute of Pacific Relations is financed principally by contributions from its national councils and by grants from foundations.

In the 26 years from 1925 through 1950 total receipts amounted to \$2,569,000, an average of about \$100,000 a year. Of this total, 48 percent came from the Rockefeller Foundation and the Carnegie Corp., 40 percent from the national councils, 9 percent from sales of publications, and 3 percent from miscellaneous sources. The American IPR contributed 29 percent of the total receipts, the British and Canadian council 2 percent, and the Japanese council 1 percent. Thus United States sources, including foundations, supplied 77 percent of the organization's income. If grants to the American IPR are included, the contribution of the Rockefeller Foundation and the Carnegie Corp. to the work of the IPR through 1950 totals \$2,176,000. In 1950 the Rockefeller Foundation voted a new grant of \$50,000 to the international institute and \$60,000 to the American IPR.

The American Institute of Pacific Relations derives its funds from membership subscriptions, gifts from individuals and corporations, and grants from foundations. From 1925 through 1950 its total net income was \$2,536,000, of which 50 percent came from foundations (chiefly the Rockefeller Foundation, Carnegie Corp. and Carnegie Endowment), 33 percent from individual and corporate contributions, 12 percent from sales of publications, and 5 percent from miscellaneous sources. Leading contributors to the American IPR today include the Standard-Vacuum Oil Co., International Business Machines Corp., International Telephone & Telegraph Co., Electric Bond and Share Co., and the Rockefeller Bros. Fund., Lever Bros. (London) is a major contributor to the international IPR.⁶⁵

We should mention, as the lengthy testimony revealed, that many prominent anti-Communists had joined or supported the IPR in its early days, but as they noticed the procommunism so explicitly unfolding in its publications, they left the organization, and several worked very hard to expose it.⁶⁶ The sequence of events is significant, since in 1937 the IPR American secretary, identified Communist Frederick Vanderbilt Field, and Philip R. Jaffe, IPR conference participant and contributor, launched a venture called *Amerasia* magazine. On June 6, 1945, the FBI raided *Amerasia*'s offices, finding 1,800 stolen government documents. Arrested, among others, was managing editor Jaffe and IPR researcher Kate Louise Mitchell, formerly a lecturer at a Communist school in New York. This relates to why former Soviet army officer Alexander Barmine was told by Soviet intelligence that IPR was "a cover shop for military intelligence work in the Pacific area."⁶⁷ This evidence had been made available to some of the trustees of the Rockefeller and other supporting foundations before 1950, but the funding persisted, with the Rockefeller Foundation granting \$110,000 to the IPR as late as September 22, 1950. Naturally, questions were raised, and the momentum was sufficient for another investigation.

In 1951 Democrat Congressman Eugene E. Cox of Georgia began seeking support for an investigation of the foundations and their promotion of Communist subversion. As the IPR hearings were drawing to a close, he succeeded finally, on April 4, 1952, in getting the House to authorize the study. Cox was chairman and his special committee with six other members was given a

gigantic task to accomplish by January 1, 1953. House Resolution 561 read, in part:

The committee is authorized and directed to conduct a full and complete investigation and study of educational and philanthropic foundations and other comparable organizations which are exempt from Federal income taxation to determine which such foundations and organizations are using their resources for purposes other than the purposes for which they were established, and especially to determine which such foundations and organizations are using their resources for un-American and subversive activities or for purposes not in the interest or tradition of the United States.⁶⁸

The reader will notice that this mandate did not instruct the Cox Committee to prepare any thorough treatment of the beneficent works of the foundations, as such would not properly be the subject of an investigation. Rather these congressmen were asked to ferret out evidence of wrongdoing, especially aid for subversive activities.

To read modern accounts by foundation spokesmen, one would think that the whole matter was a waste of time and taxpayers' money. True, Russell Sage Foundation staff member F. Emerson Andrews, later of the Foundation Center, did praise the Cox Committee for soliciting the testimony of many representatives of the tax-exempt world. He considered the proceedings fair; he was allowed to testify.⁶⁹ But others have insisted that the Cox Committee found no significant evidence against the foundations, implying that the whole effort must have been, as was charged at the time, a politically inspired "fishing expedition."

To appraise this usually brisk dismissal by recent authors it is necessary to examine at least some of the evidence that was coming to light at the time the investigation began, in addition to the IPR funding, and what was revealed in the testimony the Cox Committee received.

First there is the fact, which could easily be surmised, that Communist conspirators have always wanted their victims to pay for their own burial. It was natural that they would seek foundation grants, as those tax-exempt funds would be actually provided by the American public, a major object for capture. In this connection, the Cox Committee heard the testimony of several former high-ranking American Communists. One witness was Maurice Malkin, a founding member of the Communist Party in this country, who testified that they had been ordered three times between 1920 and 1934 to penetrate philanthropic funds and take control of them for the party's work.⁷⁰ Former *Daily Worker* managing editor Louis Budenz testified that the party had a special commission on foundations, seeking to get grants for the promotion of the Communist line and to prevent anti-Communists from receiving such assistance. Although these efforts were targeted primarily at the Carnegie, Rockefel-

ler, and Guggenheim foundations, the party was successful in financing many of its fronts through two foundations which were completely under their control. In 1941 alone the Robert Marshall Foundation subsidized more than a dozen party fronts, having been established by the estate of a wealthy Interior Department official who sought "the promotion and advancement of an economic system in the United States based upon production for use and not for profit."⁷² And the Communists received protection for some of their most violent activities in the 1920s with the generosity of the American Fund for Public Service, also called the Garland Fund, which was administered by long-time ACLU Executive Director Roger Nash Baldwin.⁷³

From Budenz's testimony there emerged an incident illustrative of the length to which totalitarian conspirators will go to deceive the public that is footing their bills. From his personal knowledge of years in the Communist Party's leadership circles, Budenz identified several recipients of Rosenwald Foundation study fellowships as having been active Communists. Of those identified under oath, three either testified before the committee or supplied statements, completely denying the accusations. However, one of the others, Clark Foreman, decided to make the most of it in a way that must have angered the very well-tempered committee counsel Harold M. Keele. The story unfolds in Mr. Keele's reply to Foreman, as transcribed in the hearings:

Washington, D.C., January 10, 1953

Mr. Clark Foreman,
421 Seventh Avenue, New York, N.Y.

Dear Sir: During the morning of January 1, 1953, the following telegram was received at the offices of the committee:

New York, N.Y., December 31, 1952

Hon. Brooks Hays,
Chairman, Special House Committee,
House Office Building, Washington D.C.:

According to press reports Budenz testified before your committee that I was a member of the Communist Party. This is an absolute lie without any foundation and facts. I regret that I was not given an opportunity to testify before your committee. I appeal to you for the opportunity of so testifying. In any event, please include this telegram in the published record of your committee.

CLARK FOREMAN,
421 Seventh Avenue, New York City

I direct your attention to the following:

1. Testimony of Louis Budenz was taken before this committee on Tuesday, December 23. His testimony was given wide publicity in the public press on Tuesday, December 23, and Wednesday, December 24.

2. Of those named by Budenz four persons, Walter Gellhorn, Ira D. A. Reid, Thomas I. Emerson, and you, registered protests or made formal denials.

3. Walter Gellhorn and Ira D. A. Reid appeared at their own request before the committee and gave testimony under oath on December 30. Thomas I. Emerson addressed a letter to the committee under date of December 26, and requested publication of the same but did not offer to appear before the committee. Your telegram carries a dateline of 5:15 P.M., December 31, and the receiving stamp shows that it was received at the Washington offices of Western Union at 6:18 P.M., December 31.

4. Resolution 561, which created the committee, required that the committee's report be filed on or before January 1, 1953. You waited 8 days and until 5 P.M. on the evening before the day the report was due to be filed to express regret that you had no opportunity to testify before the committee and to appeal for an opportunity to do so.

5. According to the press, on January 3, 1953, the very day on which the committee's life terminated as of 11:59 A.M., you issued a statement to the press calling attention to the fact that you had asked on December 30 for an opportunity to appear before the committee.

It seems to me that the conclusion is inescapable that you deliberately waited until it was too late to afford you an opportunity to appear before the committee to make any protest; that you deliberately misrepresented to the press the date of your communication to the committee; that you chose to wait until such time as you would not have to make an oath to deny statements made under oath, and then resorted to the device of a telegram, which has not yet been confirmed by letter. In view of the action by Walter Gellhorn and Ira D. A. Reid, I can only conclude that you dared not appear and testify under oath. An opportunity to do so would have been given you, as it was given others, had you made such a request in due time. Under the circumstances, and in fairness to Gellhorn and Reid, I think it must be said that your action in delaying until the evening of December 31 to communicate with the committee, offers persuasive evidence of your reluctance to testify under oath and gives credence to the statement of Louis Budenz.

At the direction of the acting chairman, your unconfirmed telegram will be included in the record of the proceedings.⁷⁴

The reluctance of this Rosenwald Fund beneficiary to testify, assuming Budenz was correct, is an example which seems to parallel somewhat another famous case of subversive personalities in high foundation posts. The Carnegie Endowment for International Peace, which substantially funded the IPR, provides this illustration. In December 1945 its president, Nicholas Murray Butler, retired and three trustees asked their new colleague, John Foster Dulles, if he would fill the post. A trustee since 1944, Dulles agreed to act as a chairman as long as the board installed a full-time president to administer the organization.

Dulles, after surveying the field of available postwar talent, selected an attractive and promising young man for the post who already had an impressive resumé. As a former law clerk for Justice Oliver Wendell Holmes, a former employee of the Department of Agriculture, a rising State Department official, and a director of the American IPR, the candidate had caught the attention of several members of the endowment board. On December 9, 1946, the board accepted Chairman Dulles's recommendation and Alger Hiss was elected president of the Carnegie Endowment for International Peace.⁷⁵ Subsequent disclosures revealed that evidence concerning Hiss's role as a Soviet spy was made available to Dulles as early as December 23, 1946, but he waited until February 1948 before looking into the matter. That was just soon enough to exert his trustee responsibilities, since Alger Hiss went to the Grand Jury on March 16.⁷⁶

Faced with the serious charge of espionage aimed at their president, who had been publicly identified by Whittaker Chambers as a Soviet agent on August 3, 1948, the board granted him a temporary leave of absence. He remained a trustee in 1949 at the same time he was indicted for perjury, having denied under oath his clandestine role. Late that year the board passed a resolution critical of the pressure Secretary of State Dean Acheson had received for having decided not to "turn his back" on Alger Hiss, but in 1950, with Dwight D. Eisenhower now on the board, the endowment finally decided to remove Hiss and appoint Joseph E. Johnson as the new president.⁷⁷

Although Hiss had also been a trustee of both the Woodrow Wilson and World Peace foundations, he had become too hot a property for the Carnegie Endowment. His exposure had come simultaneously with the very questionable suicide in December 1948 of identified Soviet agent Laurence H. Duggan. Duggan was a former State Department official who succeeded his father as head of the Institute for International Education, then funded by the Carnegie Endowment, the Carnegie Corporation, and other public trusts.⁷⁸

The Carnegie Corporation record came under careful scrutiny also. Corporation President Charles Dollard testified before the Cox Committee about the identified Communists and fellow travellers who received grants, always taking pains to minimize the significance of those grants in two ways. He claimed repeatedly that a number of the organizations and individuals were not cited by government investigative committees until years after the grants were made. This defense, and the rather unconvincing plea the corporation, with all its resources, had great difficulty collecting the published findings of those investigations, weakened in the face of the earlier background of some recipients which could well have served as an indicator of their positions.⁷⁹

Between 1931 and 1937, the Carnegie Corporation gave a total of \$9,500 to two Communist fronts, Commonwealth College⁸⁰ and the American-Russian Institute,⁸¹ in addition to the IPR grants, which continued until 1947, long after the group's slant was obvious to concerned observers. Among the individuals who received corporation funds and who had been affiliated with the Communists were Louis Adamic,⁸² Olga Lang Wittfogel, W. E. B. DuBois,⁸³ Alfred

Kreymborg, John K. Fairbank, Owen Lattimore,⁸⁴ T. A. Bisson, Daniel Thorner, and Chen Han-Seng.⁸⁵ Several of these, including identified Communists Fairbank and Lattimore, were highly influential in the IPR-led crusade to install the Chinese Communists in power.⁸⁶ Some of the Carnegie grants were made through universities and prominent scholarly associations. Identified Communist Carey McWilliams, one of the most ubiquitous figures on the left, was funded through the Carnegie-supported *Survey Graphic* magazine, Max Yergin through the International YMCA, Fairbank and Lawrence Rossinger through the Social Science Research Council, and Dirk Bodde through the American Council of Learned Societies.⁸⁷ Funding of such Communist-affiliated personalities through these various conduits was not an accident, as President Dollard, for example, admitted, noting "that the Social Science Research Council designated" Fairbank and Rossinger as recipients of the grants the corporation decided to make.⁸⁸

Other questionable individuals were among 150 staff hired in 1939 and 1940 to prepare the Carnegie Corporation's study project which resulted in the publication of Gunnar Myrdal's *An American Dilemma*.⁸⁹ The work of Doxey Wilkerson and Bernard Stern on the team became too embarrassing even for Myrdal, who would include in his work totalitarian attacks on the fundamental assumptions of American constitutionalism.⁹⁰ But the admission of Communist infiltration in this Carnegie project would not keep the book from becoming both one of the relatively few profitable publications to emerge from foundation-funded research and a source of alleged sociological justification for the Supreme Court's historic ruling in the 1954 desegregation case *Brown v. Board of Education*.

Further weakening Dollard's claim of ignorance regarding the activities of Carnegie grant recipients was his attempt before the Cox Committee to evade responsibility for the IPR funding. After comparing it with other grants to research organizations, Dollard admitted "in all frankness, at least one of our trustees was disturbed by the rumors that the Communists had infiltrated the IPR," and this occurred right before the terminal grant was awarded in 1947.⁹¹ Committee Counsel Keele probed a bit and provoked this exchange:

MR. KEELE. How closely, Mr. Dollard was your corporation, Carnegie Corp., following the work of the IPR at that time? And when I say "that time," I am talking about the period immediately preceding 1947.

MR. DOLLARD. I would say quite closely, Mr. Keele. Somebody in the office or somebody on the staff was usually reading most of the things they turned out. We were in reasonably close touch with their officers.

MR. KEELE. Right now, one of the men who was closely identified with IPR at that time was Frederick Vanderbilt Field, was he not?

MR. DOLLARD. Mr. Field was, as I recall it, the executive secretary of the American Council up to 1940. . . .

MR. KEELE. Now, as early as 1941, Field was openly avowing his connections with the Communist Party, was he not?

MR. DOLLARD. I could not date it that closely. I would say certainly at that time there were grave suspicions about his affiliations with the Communist Party. But I do not know the record quite that well.

MR. KEELE. I think it has been well established that as early as December 1941 he published an article under his own name in the *New Masses* [sic], which was an avowed Communist publication, and continued with numerous articles thereafter. And by 1944, he was the author of articles in the *Daily Worker* [sic]; further, during that period of time, I think it must be assumed that he was well known as a Communist worker. My question is this, whether or not, looking backward, you feel that your action in cutting off support in 1947 was taken as early as it should be under those circumstances.

MR. DOLLARD. Certainly looking backward with all that has been put in the record about Field now, I would say that we wish we had moved a little more quickly.

MR. KEELE. You wish you had acted a little more quickly?

MR. DOLLARD. I do want to repeat, though, Mr. Counsel, because I think it is relatively important, that Field's connection with the staff of the Institute of Pacific Relations ceased in 1940, and to the best of my knowledge and recollection was not reestablished. He did, however, continue on the executive committee, as I recall.

MR. KEELE. That is right.

Do you know what it was specifically or generally that alerted one of your trustees to what he considered a dangerous situation in the IPR, or at least an unhappy one?

MR. DOLLARD. There had been some charges made, as I recall, in 1945 or 1946, by Alfred Kohlberg, of New York, about the institute, and I assume that was the basis.

MR. KEELE. Did you—and by “you” I mean, of course, the corporation—did you make any investigation of your own after Kohlberg's charges were made?

MR. DOLLARD. We did not.

MR. KEELE. Why not?

MR. DOLLARD. In the light of what we now know, I would say, again, that we would be happier if we had.⁹²

In spite of Dollard's attempt to justify the support up until the corporation's board suddenly discovered problems in 1947, the same sort of funding continued on other fronts. In 1949 the corporation donated \$450,000 to the department headed by Prof. Harold O. Rugg at Teachers College, Columbia University. It was the famous Dr. Rugg who, with such foundation support, prepared the *Frontier Thinkers' Series* of social studies books. Rugg estimated that these volumes, which advocated government ownership of all banks, heavy industries, insurance companies, and natural resources, were read by 5 million school children before they were, in his words, “well nigh destroyed by the patrioteers and the native fascist press.”⁹³

In 1945 a former University of Chicago instructor, John Victor Murra received \$2,000 from the Social Science Research Council. A year later, Murra, a native Russian, was denied American citizenship because according to army intelligence reports, he was “assigned by the Communist Party to contact army and navy rejections with a view to indoctrinating them with Communist affiliations, and to secure their entrance into the merchant marine.” The same year Murra received his grant, the Social Science Research Council was awarded \$166,000 by the Rockefeller Foundation.⁹⁴

That was by no means the only questionable grant received through a conduit from the Rockefeller Foundation. Perhaps the most embarrassing of all was the case of Hans Eisler. An Austrian composer, Eisler was favored with the assistance of Eleanor Roosevelt, who, in 1939, interceded with the State Department to seek permanent residence for him in the United States. Eisler was suspect because his brother Gerhardt, identified as one of the Kremlin's leading international agents, had been tried and convicted for criminal charges arising from his crude attempts to conceal what he was doing. Not that Hans Eisler was free of personal commitment to the Soviet cause; he had composed a number of Communist tunes for the *Red Song Book*. Proof that he was not just exercising his artistic imagination motivated the visa division of the State Department to withdraw his visa and seek his deportation. In 1938 the division prepared a memorandum stating that Eisler was established to be a Communist, though not a formal member of the Communist Party. Although this would have suggested a higher and more strategic role like his brother's, Hans Eisler still was able to obtain a Rockefeller Foundation grant of \$20,160 in 1940, issued through the New School for Social Research in New York.⁹⁵

Apparently the truth was much more serious. The Cox Committee listened to veteran American Communist Maurice Malkin say,

I know definitely that Hans Eisler was a member of the Central Committee of the German Communist Party. Hans Eisler, Gerhardt Eisler, his brother, and Ruth Fisher, a sister of Gerhardt and Hans Eisler, were all members of the German Communist Party Central Committee.

In 1927 Ruth Fisher broke with the Comintern and Stalin and supported Trotsky. As a result, she was expelled from the Communist International.

Gerhardt Eisler actually took over organization and hatchet work for the Comintern; that is, to liquidate the dissenters of the Communist International.

Anybody that was on the purge list of Stalin, he took care of it, whether it was in the United States, Germany, or even in China, where he was a Communist International agent for quite a few years.

Hans Eisler was in charge of agit-prop and cultural work of the German Communist Party, especially amongst what they called musicians, artists, writers, et cetera. He came to the United States, and we immediately received orders throughout the country—in fact, every party secretary received orders—to cooperate with Hans Eisler because he is a CI representative.

And Hans Eisler actually started organizing what they called Communist music festivals, Communist music sections, and literary circles. He was received with open arms in Hollywood by some of our Communist friends like Clifford Odets, John Garfield, and—for instance, Lionel Stander, whom I personally recruited into the party—people like James Cagney and Alvah Bessie and others.

As a result, Hans Eisler actually became what they called the cultural director representative of the Communist International in the United States in penetrating cultural groups.

V. J. Jerome, who is presently on trial in New York under the Smith Act, alias Roman Romain, alias Victor Romane, I think this was his real name, and who was national agit-prop and who is the one responsible for the central committee of the United States for penetration into cultural and civic groups all over the country; but Jerome actually had to report to Hans Eisler on his activities.

The real director in the United States was Hans Eisler, the CI representative on cultural activities in the United States.

During an earlier portion of the hearings, Chairman Cox had referred to the Rockefeller grant Eisler received as follows:

He had already been ordered deported, and some influence arising somewhere had his deportation deferred until this \$25,000 grant made by the Rockefeller people could be expended. Now the Rockefeller people knew he had been ordered deported, and yet they went along with the scheme.⁹⁷

But in his testimony Rockefeller Foundation President Dean Rusk, later secretary of state in the Kennedy and Johnson administrations, tried to reassure the Cox Committee that the funds which Eisler finished spending in 1942 had been awarded in all good faith:

If the foundation had had any reason to believe that Eisler entertained subversive intentions toward the United States or that, because of his political affiliations, he was incapable of objective experimentation in the use of music with films, the foundation would not have made its grant to the New School in support of Eisler's film-music project. And, of course, with the benefit of hindsight we should be very glad at this point not to have made that grant.⁹⁸

But Counsel Keele was not going to allow Rusk off the hook so easily. He inquired if the Rockefeller Foundation had sought information on Eisler before making the grant. Rusk pointed out that they had asked Dr. Alvin Johnson of the New School for his evaluation and that he had reported "Eisler was fully

engaged and interested in his music, and was not engaged in any political activity." But then Keele called his attention to published correspondence between Johnson and Eisler, on the record then for six years, in which Johnson reassured Eisler, who had written to Johnson that he was not a Communist: "I personally have no prejudice against Communists and can see no earthly reason why a good Communist should not be a good musician." Thereafter followed:

MR. KEELE. Wasn't Johnson's attitude pretty well known at that time—that he had no objection to having Communists on his staff? Hasn't he made the same statement with reference to the work of the Encyclopedia of Social Sciences?

MR. RUSK. I regret, Mr. Counsel, that I have not sufficiently reviewed the public statements of Mr. Johnson to be able to respond directly to that.⁹⁹

Rusk did briefly respond with explanations on a number of other grants that had been made. The foundation had given \$7,500 to the China Aid Council in April 1948. This group was identified by the House Committee on Un-American Activities as a branch of the American League for Peace and Democracy, cited by the U.S. attorney-general as a Communist front. Rusk's response to this information mentioned by Keele included:

Now I think at the time it was felt that the presence of some left-wing writers in the committee was accepted as an unavoidable and calculated risk in order to have a Chinese instrument through which writings in the western languages could find their way into Chinese and into the Chinese community.

Before this project was undertaken by the foundation, it was discussed informally with and was commented upon favorably by members of the State Department staff, I believe in the information side of the Department, concerned with cultural relations in the Far East. Five thousand dollars was paid out under this grant before the Communist occupation of Shanghai, and no payments were made following Communist occupation. . . .

Our records show, Mr. Counsel, that the grant-in-aid was made in April 1948, and that this organization was cited in December, 1948. Is that the date of the citation that you have, sir?

MR. KEELE. 1942.

MR. RUSK. Oh no, sir; then we do not seem to have taken that into account.¹⁰⁰

Defended also were Rockefeller Foundation grants for the study of Russian language and culture at various schools and universities. Rusk carefully distinguished the teaching of the language and an objective study of Russian society, which he said they exclusively financed, from an advocacy of communism, even

though Keele could point to a number of pro-Communist advocates, such as Corliss Lamont and Vladimir Kazakevich, who were instructors in a Cornell program.¹⁰¹

Outside the IPR circle of Soviet agents, individuals with Communist affiliations that were called to Rusk's attention during his testimony as Rockefeller beneficiaries included: famous British geneticist and Communist Party member Prof. J. B. S. Haldane; M. Joliot-Curie of the French Radium Institute, a known Communist; author Louis Adamic; Foreign Policy Association representative Vera Micheles Dean; Hallie Flanagan Davis; Jacob Salinsky (alias "J. B. S. Hardman"); Granville Hicks, who had abandoned and denounced the Communist Party at the time the grant was given; notables Thomas Mann and Linus Pauling; Polish Communist Oscar Lange; Communist Ignace Zlotowski (Rusk: "He, again, is one of those rare cases in all of the 29,000 grants we have made. We consider him lost from the fold, and we would be glad to strike him from our rolls if we could."¹⁰²); Mortimer Graves, a long-time Communist-fronter who was awarded funds through the American Council of Learned Societies; and Canadian diplomat and oriental linguist E. Herbert Norman. The IPR-affiliated recipients included Thomas A. Bisson, Lawrence Rossinger, Owen Lattimore (Rusk: "... which arose out of a misunderstanding between or among the officers of the foundation. . . ." ¹⁰³), Robert W. Barnett, John K. Fairbank, Dirk Bodde, William L. Holland, and Andrew W. Grad.¹⁰⁴

Because these incriminating grants simply would not go away—they could not be struck from the rolls—Rusk, as did his other colleagues in their testimony, resorted to the repeated emphasis upon how relatively few these grants were in comparison with the total number of awards the Rockefeller Foundation had made. Of the IPR he said:

The sums provided by the Rockefeller Foundation amounted to 37 percent of the receipts of the two councils of the Institute of Pacific Relations, the remainder coming from a wide variety of sources, business corporations, private individuals and otherwise. But these sums were only one-half of 1 percent of the more than \$368 million in grants made by the Rockefeller Foundation for all purposes during the same period.¹⁰⁵

Because Rusk and most foundation executives are naturally quite prone to rhetorical rhapsody over the magnificent consequences of the grants they have given in the arts and sciences, the knowledge and joy brought multitudes, the sufferings eased and the lives spared—not all of which, certainly, can be anticipated when such grants are made—it might be well to attend to the fruits of this mere drop in the bucket. For "one-half of 1 percent" of its grants, the Rockefeller Foundation had mightily assisted in the ascendancy of a brutal Communist police state in China that today has over 700 million people virtu-

ally enslaved after having murdered, by the most inhuman means imaginable, over 60 million citizens just to stay in power.¹⁰⁶ Now not all these consequences, at least not the numbers, could have been predicted in advance—but such an unexpected quantitative return on a relatively microscopic investment; all moral considerations aside, the Rockefeller Foundation could hardly have asked for more.

Today's largest foundation, the Ford Foundation, was just getting underway nationally when the Cox Committee met. Having been incorporated in Michigan in 1936, it held assets from the estates of Henry Ford, Sr., and his son Edsel Ford, finally receiving tax-exempt status from Washington in 1950. Though there was little in the way of a record to review, the committee did question Henry Ford II, chairman of the Ford Foundation Board; president and director Paul G. Hoffman; and associate directors H. Rowan Gaither, Jr., and Robert Maynard Hutchins, both of whom would later serve in Hoffman's post.¹⁰⁷ Ford, Hoffman, and Gaither answered general questions about the foundation's long-range goals and activities, but were not called upon to discuss matters of subversion. Though Gaither would figure prominently behind the scenes of the next investigation, the star performer from Ford this time was Hutchins. Rapidly rising in the loftiest of ivory towers, Hutchins had been dean of the Yale Law School and for many years chancellor of the University of Chicago. After lucidly entertaining the committee with his views on the sad state of higher education and suggesting reforms, Hutchins was interrupted by Chairman Cox, who wished to inquire about Hutchins's own record.

An investigation by the Illinois State Legislature had then recently revealed that during Hutchins's presidency at Chicago, 165 members, or almost 10 percent of the faculty, had been affiliated in 465 separate instances with Communist front organizations.¹⁰⁸ Hutchins, in response to Cox, refused to accept these figures and even defended his toleration of a Communist club that had used public facilities on the Chicago campus with his permission. Repeating questions put to Hutchins before the Illinois state investigation, Cox tried to get a straight answer:

THE CHAIRMAN. Doctor, you were asked this question in this investigation: Do you consider that the Communist Party in the United States comes within the scope of a clear and present danger? You are charged with having answered: I don't think so. Do you still adhere to that view?

MR. HUTCHINS. The Supreme Court has decided that question.

THE CHAIRMAN. I know, but I am not talking about the Supreme Court; I am talking about your views now. The Supreme Court is not running the foundation; you are, so far as the educational work of the Ford people is concerned.

MR. HUTCHINS. Well, you were asking me what my attitude toward the Communist Party would be as an officer of the foundation?

THE CHAIRMAN. That is right.

MR. HUTCHINS. Well, as an officer of the foundation, I would not support the Communist Party. What the definition of "clear and present danger" is, I am not at all sure. I regard the—

THE CHAIRMAN. You know what "clear" means, and you know what "present" means, and you know what "danger" means.

MR. HUTCHINS. I also know that this is a phrase used by Mr. Justice Holmes and Mr. Justice Brandeis, and it has a very precise meaning. As far as I am concerned, the Communist Party is a clear danger. Whether it is in this country an immediate danger so that every day we should think that here is something really dangerous that is going to overwhelm us, I do not know. It certainly is dangerous.

THE CHAIRMAN. Well, you expressed the view here that the Communist Party should not be outlawed. Is that still your view?

MR. HUTCHINS. I understand that the FBI, and I know that Governor Dewey, in his campaign against Governor Stassen in Oregon in 1948, took the view that the Communist Party should not be outlawed.

THE CHAIRMAN. Yes. You are evasive about it. I asked you for your view of it.

MR. HUTCHINS. I am of the same opinion because it seems to me the effect would be to drive the Communist Party underground.

THE CHAIRMAN. In Chicago you were asked: Do you favor the enactment of legislation to make the Communist Party illegal?—and you said "No."

MR. HUTCHINS. That is precisely what I mean.

THE CHAIRMAN. Yes.¹⁰⁹

Congressman Cox, in all his earlier years on the judicial bench, had probably never spent so much time to extract so few words from such a learned witness. But Hutchins seemed to remember things better and understand household words more immediately at other moments. He said he thought the best opposition to communism was in "military means" that would prevent this country from being "overwhelmed by the tremendous masses of the Red Army." Cox questioned him about grants made to the Institute for Philosophical Research because its founder, Mortimer Adler, authored *How to Think About War and Peace*, which advocated a world government and an end to America's national sovereignty:

THE CHAIRMAN. He is the man who preaches the overthrow of the United States or the abolishment of the United States.

MR. HUTCHINS. Mr. Adler is in favor of world government, and Mr. Adler has said as the people in Virginia and Georgia said at the time of the framing of the Constitution, "Let us see if we can establish a large and more perfect union." It is only in that sense that he is—

THE CHAIRMAN. He takes the position that what we have we should abolish.

MR. HUTCHINS. No more than the framers of our Constitution took that position.

THE CHAIRMAN. What position does he occupy on your staff?

MR. HUTCHINS. None. The Institute for Philosophical Research was not established by us. It is not supported by the Ford Foundation; it is supported by the Fund for the Advancement of Education and by the Old Dominion Trust.¹¹⁰

No doubt wearied by all this, Congressman Cox commented as Hutchins's testimony ended, "I have been trying to embarrass him, but I know I could not do it if I tried." But since Hutchins himself had earlier testified that the Fund for the Advancement of Education, which assisted Mortimer Adler, was a creation of the Ford Foundation in 1951 to discharge *their* responsibilities, it really was not necessary to try to embarrass him.¹¹¹

Approaching the deadline of January 1, 1953, the committee hurried to finish hearing testimony and compile a report.¹¹² This work was interrupted and hampered by the unexpected death of Chairman Cox on December 24. Congressman Brooks Hays became acting chairman and oversaw final preparation of the report, having been able to secure approval of most of it from the ailing former chairman two days before he expired.

The final report comprised fifteen pages, unusually brief for the amount of testimony taken. The investigation had been prevented from reaching a decisive conclusion both by the limited amount of time and the lengthy testimony of foundation representatives, which, though important, was often repetitious in nature and naturally limited the volume of critical evidence that could be presented.

The issues discussed in the hearings were summarized for the report in the form of twelve questions. Several of these focused generally on the grants made to subversive organizations and individuals with Communist affiliations, but the report, perhaps due to the impossibility of in-depth analysis, concluded that the foundations had overwhelmingly lived up to their respected reputations as public trusts. A number of other questions touched upon issues similar to those raised later by Wright Patman, but it was obvious that the committee felt unqualified to say much about them. Legislative proposals were made to require fuller public accountability and more complete reporting of information on the part of the foundations, a measure to which little foundation opposition was expressed, although it did not succeed at that time. The House Ways and Means Committee was encouraged to promote the growth of tax-exempt philanthropy to strengthen private sector institutions in America.

But there was one angry member of the Cox Committee who was disappointed by the outcome of the hearings and the very limited nature of the report. Representative B. Carroll Reece of Tennessee knew that another investigation would be necessary to tell the whole story. And, if he could help it, he was determined that the foundations were not going to get away with a whitewash.

THREE

The Ill-Fated Reece Committee Investigation, 1953-1954

A MEASURE OF TRUST

When I got to Yale it was just after the end of World War I and everything was topsy-turvy and mixed up; so, in effect, it was possible to, more or less, make up your own curriculum. The history of this country was a major interest of mine. And for some strange reason, which in those days I couldn't account for, it was as though I kind of had an affinity for an understanding of our history, leading up to the support of a conviction which was the outcome of my education. And this conviction was a lonely one—it turned out to be—namely, that the worth of whatever went on in this country was proportionate to its contribution to the premises on which the Founding Fathers set the country up. And that nothing that did not make such a contribution really deserved to be considered a value.¹

THE MAN who spoke those words may have the unfortunate distinction—unfortunate for America, that is—of being the only patriot-philosopher to direct the course of a major congressional investigation in many decades. And Norman Dodd, research director of the 1954 Reece Committee investigation of the foundations, is much more than that; he is a man of remarkable ability and accomplishment.

From his youth in South Orange, New Jersey, Dodd attended Phillips Acad-

emy, Andover, and then went to Yale, graduating in the class of 1921. Reaching the principled perspective quoted above while in school, he entered the world of business eager to see how compatible it was with his values. First as a cost accountant in a manufacturing firm, then as an assistant to the president of All America Cables in New York, Dodd became very interested in the relationship of the activities of corporations to the interests of their stockholders, in terms of both public accountability and public trust. He soon grew dismayed over the seeming disregard of major corporate executives for their crucial responsibilities to their stockholders. He saw them using other people's money and using it recklessly in the government-fueled economic joyride that was the securities market of the 1920s.

By the time he was working for Bankers Trust Company in Manhattan, Dodd was convinced that banks had a basic responsibility to provide an advisory service for their customers in the field of investment. After all, the banks were lending their funds in all directions, often to individuals who had no way to distinguish a prudent investment from a bid on the proverbial Brooklyn Bridge and were easy marks for the hoard of bond salesmen he observed who would descend upon unsophisticated investors. Dodd was interested in the idea of a bank having an officer in charge of advising clients of the risks related to various investment vehicles. He thought this was a bank responsibility, not a function of government, and he was fortunate in that the executives at Bankers Trust agreed. He was given a position in the bank of advising depositors, and his supervisors soon were pleased with the favorable results. It was a totally new function for banks, and for Dodd it was a successful pioneering effort, at least for several years.

Charged with the responsibility for originating the investment of trust funds, Dodd became concerned over the fact that the stock investments in the trust portfolios were highly inflated. A dollar invested by the bank had become ten dollars; the bank was now responsible for managing ten for a client who had invested one. And Dodd maintained that the bank's responsibility ran to the ten. The bank's senior officers agreed with him but, to his dismay, they were not willing to do anything about it. Dodd wanted to sell most of the speculative securities in favor of more secure corporate bonds, but the bank officers would not consent to that for fear of starting a run on the market. He pointed out to them that they had advertised in the papers for trust business, implying that no one could find a better trustee than at their bank. But, like so many other financial institutions during this credit-drunk period, they were not willing to practice the prudent trusteeship that they preached.

While he was stewing over the whole idea of trusteeship and the surrounding absence of it, Dodd witnessed a rare moment in history. He remembers it well:

One morning the executive vice-president who was in charge of all of this type of banking business—called fiduciary banking—sent for me. I appeared in his office and he said, "Sit down." He did not tell me anything as to why he had asked me

to come in, when, all of a sudden, into his office walked a gentleman by the name of Henry Morgenthau, Sr. [the father of Franklin D. Roosevelt's secretary of the treasury who proposed in 1945 that Germany be reduced to a pastureland]. Mr. Morgenthau was a man of considerable widespread prominence and interest. He walked in and he knew this vice-president on a first-name basis and I overheard this conversation. Mr. Morgenthau said to Mr. Downing, "You know, John, I have seven trust funds in this bank." This was admitted. And he said, "You know I have the power to direct investment of these trust funds if I wish to exercise it." And this was admitted. Mr. Morgenthau then said, "You know, John, I never exercised this power in all the ten years these funds have been in this bank." And this was admitted. And then Mr. Morgenthau said, "Now, I am going to exercise it. And I hereby instruct you as of today: I want every corporate security in all of those seven trust funds sold today and I want the money reinvested in United States government bonds." Then I knew why I was there because I was the one who had to carry this out. "And I do not wish that reinvestment to be disturbed until I instruct accordingly and I assure you that I will not so instruct for at least fifteen years."²

Naturally, this was of great interest to Dodd because Morgenthau was doing for his assets what Dodd had been urging the bank to do for the benefit of all their trust clients. He further recalls:

I carried this program out and I never forgot this experience. To me, Mr. Morgenthau did not act as if he had been to a gypsy tearoom or he had read an astrology magazine, or operating on a hunch. He was acting just as rationally as you or I would if we decided we wanted to go to a store and buy a pair of shoes. And that's all that was said. Well, ten days went by and the world fell apart. This saved that family \$17 million. And when the world fell apart, as of a given morning on the 19th of October, panic ensued. And it was not a pleasant sight inside the bank to watch men who were old enough to be my father—who'd been awfully nice to me, who were men who were thought of as being about the most able and influential bankers in the country—watch them go to pieces; it was not a pleasant sight. I was fond of these men. They had been awfully nice to me. And that made it all the worse. Three days later—and this part's insane—I was sent for and the directors confronted me with this question—I was thirty at this time—"What do we do now?"³

Slightly overwhelmed, Dodd replied with the best he could quickly muster, that the crash should be taken as proof that there was something that they did not know about banking, something they would have to learn and heed. A week later Dodd was relieved of all his other responsibilities at the bank and told to go find out just what that something was.

Embarking on a study that occupied him for two and a half years, Dodd struggled to find the loose threads that might lead to the tapestry he sought. Without guidance or bearings, he knew, at least, that he must be looking for what Morgenthau had known. What he came to conclude was that sound

banking involved several features. Banks should be private institutions and not extensions of government organization. A private banking system, to avoid existing conflicts of interest, should keep out of the securities business. Managers of other people's money should have their incentives built into the managing of those assets, not in the mere exchange of them. And only from this standpoint could the banks live up to their desired reputations.

When Dodd presented his findings to the senior officers, he was told that he would never again see sound banking in the United States because there were institutionalized conflicts of interest in America that could never be resolved. Dodd was certainly aware of conflicts of interest, but he was unwilling to accept the idea that they were insoluble. Thus he was immediately presented with an alternative. Now married, he could stay with the bank and enjoy a nice position if he could just forget about the changes that could not be made. He resigned because he could not forget.

When Bankers Trust President Henry Cockran received his letter of resignation, he summoned Dodd and said things had changed. He related that the directors had not forgotten Dodd's report to them and decided that he should *reorganize the bank*. Norman Dodd left Mr. Cockran's office, no doubt walking several inches above the floor. He had received a fantastic opportunity; he would start at his uptown office on the new assignment at what was probably the highest salary paid to any junior bank officer in New York. He would later go on to reform the bank's Wall Street office.

Arriving at the investment center location after six weeks uptown, Dodd found that he had been given a tremendous responsibility with little or no authority there to carry it out. For almost two years he spent most of the time with his feet on the table, having nothing to do. He would occasionally remind his supervisory colleagues why he was paid to be there, but he invariably received a kind reassurance that all was well, not to worry, and that pretty soon he would be a vice-president with an even nicer salary. An associate there

sat me down and said, "Now Norm, the quickest way to become a vice-president is as follows. Just walk around the bank, fill out an application or two, look like you're thinking; put your hands behind your back. If anyone speaks to you and asks you a question, answer in the biggest words you can pronounce and pretty soon you'll be a vice-president." And I suddenly realized that that was what he was doing. Well, if it hadn't been so serious in my terms, it would have been laughable. And I stood this for two more years and I finally resigned. I had had enough.⁴

Out of a job in 1935 Norman Dodd was watching the men who had relied on him so greatly now going to Washington and asking the government to take over the economy, to "*solve*" problems government had caused, a further abdication of what Dodd thought was private bank trusteeship. He soon discovered

that he could not get a job; it seemed like the door to every bank in the United States was closed to him.

THE FATEFUL DECISION

Although he had always criticized investment counselling firms, believing that the service was an inherent bank function, the fact that he had a friend who was a portfolio manager and his need for income prompted him to accept an old invitation to a job. Starting from the ground up, Dodd worked as a money manager to explain to investors the situation he had found so widespread in the banks. For almost two decades Dodd performed this service, all the while interested to find some way to convey to the educational world the knowledge about mismanaged trust funds that he was imparting to his clients. Content with his work, he remained with the firm after it became the advisory department for a stock exchange, gradually building a reputation as a specialist on the subjects of trusteeship responsibility and public accountability. So, when, in 1953, a friend called to ask him if he would come down to Washington to work on an investigation of foundations, he understood why he had been sought, but initially refused the offer.

The friend advised Dodd that there were men behind this new investigation who were determined that it would be a success. They would need his help; he could not refuse. The House had passed a resolution on July 27, 1953, to continue the studies made by the Cox Committee, and especially "to determine which such foundations and organizations are using their resources for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation."⁵ The House appropriated \$50,000 on August 1, with the expectation of more funds after the first of the year. Representative B. Carroll Reece of Tennessee was chairman; he had sponsored the resolution. Another Cox Committee member, Rep. Angier Goodwin of Massachusetts, was selected, and the third Republican majority member was the House Banking and Currency Committee Chairman Jesse Wolcott, whose busy schedule would keep him away from most of the proceedings. Two Democrats, who with Goodwin had voted against the investigation, were also appointed. They were a lady representative from Idaho, Gracie Pfost, and an outspoken Ohio representative named Wayne Hays.⁶

By September 1, 1953, the committee had obtained the service of René Wormser of New York as counsel. Dodd was asked to visit Wormser whom he had previously known just slightly. He told Dodd that he would not have to move to Washington for the duration of the study. Dodd realized that, as research director, he would have to supervise the investigation, since the committee counsel, who ordinarily did this work, would only be in Washington for hearings and special meetings. So Dodd insisted that he be allowed to have an

assistant, Thomas McNiece, whom he knew to be an experienced and competent worker. At a meeting of the committee on September 15, this was accepted; Wormser was officially engaged, with his law partner, Arnold T. Koch, as associate counsel.

Two other staff members were selected, Washington attorney Kathryn Casey as a legal analyst and Karl Ettinger as a research aid. Representative Hays was allowed one staff member, Lucy Lonergan.⁷

Dodd remembers his first meeting with Carroll Reece in mid-September 1953. The chairman was a "very quiet, gentle, sincere, serious-minded individual, and by that I mean he took his position as a member of the House of Representatives pretty damn seriously and he took our political system as something that should be directed toward what you and I would call the embodiment of the Constitution."⁸

As is the rule on Capitol Hill, Chairman Reece was not at all involved in the work of the committee staff and did not meet with them prior to the hearings. However, in early January 1954 Dodd received an invitation for breakfast with Reece. Probably still tired after returning from a visit home for the Christmas recess, the chairman warmly greeted Dodd as they met in the morning at Washington's Metropolitan Club. Following amenities, he confronted Dodd with this question: "Norm, would you accept the premise that this country is the victim of a conspiracy?" Dodd remembers thinking a moment and saying,

"Yes, Carroll, I'll accept that." Then he said, "Can you conduct this investigation in a manner which will expose it with proof?" Well, I said, "Carroll, before I answer that question, let me say this. If we do this, this will mark the end of your political career." Carroll said, "I don't mind that. Mrs. Reece wants me to retire. We're nicely fixed. We have a lovely home in Johnson City, Tennessee, and we have a nice one in Florida." "But," he said, "the whole of my political career has convinced me that this is the position of this country. And if I can find any way to bring it out into the open, I will consider my life to have been worthwhile." Then I said, "We've got another obstacle. You have a counsel who won't accept this premise." Carroll's answer to that was, "You're not working for counsel, you're working for this committee and the Congress of the United States."

Dodd agreed to conduct the research on the suggested basis of proving what they both knew was true—what had been demonstrated in the Cox Committee hearings but not stated in its report—that some of the foundations were part of a totalitarian conspiracy. He had gotten the impression, upon meeting Wormser, that the conservative attorney was critical of the foundations but was unaware of the conspiratorial aspect. Wormser, according to Dodd, gave the impression that he wanted the position of prominence afforded by being counsel for the committee, especially the opportunity to write the committee's final report. The trouble was, as he made clear to Dodd, Wormser knew practically

nothing about the subject of foundations and had to get someone else to do his work for him. This was Dodd's original impression of Wormser; it soon changed.

Dodd conducted the research phase of the study both from the committee's office and discreetly through the aid of Col. Lee D. Lauren, who was an intelligence analyst in the Strategic Air Command under Gen. Curtis LeMay. Although this was February 1954, and before the committee had held hearings or issued reports, the pressure began to mount. Dodd received a call from Bob Humphreys, an officer of the Republican National Committee, who, according to Dodd, virtually ordered him to stop what he was doing. This was interesting, since the committee was controlled by Republicans. Dodd was criticized for hiring Lauren because he was said to be in possession of two anti-Semitic books. No evidence was claimed to show that Dodd or Lauren had a personal bias in this area; but Lauren's name had shown up on the payroll the committee submitted monthly to the General Services Administration.

Also about this time, Rep. Wayne Hays asked Dodd to meet with him. Dodd remembers the call:

"Norm, come on up, I've got a lot to tell you." So, I would go up to his office and he explained that he had been visited by [a "Major"] Persons [Maj. Gen. Wilton B. ("Jerry") Persons, President Eisenhower's chief liaison for congressional relations] with the request that Hays throw as much of a monkey wrench into the investigation as possible. Persons wanted him to do this, that, and the other thing, and I said, "Wayne, what did you do?" And he said, "I told him to get the hell out of here."¹⁰

Hays later called Dodd because he wanted to know when the hearings would begin. He was eager to get them out of the way before a trip abroad he had planned for the summer. Hays said that he was unable to get any schedule from Carroll Reece. Dodd called Reece and relayed the request.

Hays had been a problem for Reece from the beginning. Dodd remembers that, on September 15, 1953, Hays had not voted for the appointment of Wormser and Dodd to the staff. That day, at the request of Reece, Dodd and Wormser went to Hays office to placate him. Dodd recalls that Hays then said:

"You know I'm against this investigation completely. I regard it as nothing more than a bid for publicity on the part of Carroll Reece and I want you to know how I feel right off the bat." And I noticed there was a book on Hays's desk of a kind that was, more or less, related to the threat of communism and that sort of thing. That meant to me that Hays, at least, had read a book. Well, we got started and then Hays finally said to me, "Now, if you can prove to me that this investigation is justified, I'll be your staunchest supporter." I said, "All right, I'll accept that challenge." Then he said, "I want you to know this, I am the victim of an uncontrol-

lable temper. And the one thing that will set my temper off is if I think I'm being doublecrossed."

Ten days went by. He telephoned me and said, "I'm in the Bethesda Naval Hospital with an attack of ulcers. I wish you would come over and see me." So, I went over and saw him. And he said, "Norm, the only reason I asked you to come was because I just want to make sure again that you are not going to double-cross me." And I said, "I give you that assurance easily, Wayne."¹¹

Hays's confidence in Dodd paid off for the committee, at least to some extent. In early 1954, Reece had hesitated to schedule hearings because the House had not voted the committee additional funds for that year. The committee requested \$120,000, which had to be approved by the administration committee, of which Hays was a member. Dodd remembers that Reece made an ineffective appeal for the funds, and that it was only the willingness of Hays to cooperate that secured the second appropriation, even though it was a very inadequate \$65,000.¹²

With funding on the way, Reece called a meeting of the committee in his office to decide when to start the hearings. With all present, the chairman asked Wormser when he wished to start. The counsel replied, "Gentlemen, I recommend that the committee hold no hearings, but that you permit me to write a report and we'll let the foundations do anything they want." Reece immediately replied, "I'll have you know we don't do things that way in Washington." Wormser then consented that he would hold whatever hearings they wanted at any time. The fact that Wormser was unprepared to discuss the planned hearings produced a few minutes of uneasy silence. Dodd describes it this way:

Well, it was so embarrassing that I finally spoke up and said, "Gentlemen, it seems to me that it would be helpful if I rendered you a report. I came down here and started at work as of a certain date and I've traveled over a certain period of time and I've found out this and I've found out that, and then you can decide, as Mr. Wormser asked you to decide, what kind of hearings you want to hold."¹³

They all agreed, having little else to start with, and Dodd found himself burdened with the responsibility of producing a summary statement very quickly that could be delivered to the committee in executive session. As Dodd left the meeting to begin his work, Wormser said to him, "Don't you let anybody see that report, Norman, until I've had a look at it."

Then came the evening of May 6, a Thursday, when Dodd and Wormser had been asked to join Reece for dinner at the Carlton House apartment of a Washington representative for B. E. Hutchinson, a member of the board of the Chrysler Corporation. Hutchinson, who was the reason for Representative Wolcott's support of the investigation, and J. Howard Pew of Sun Oil, himself

a conservative philanthropist, had originally encouraged Reece to undertake the inquiry. Before leaving for the dinner, Dodd finished his statement to the committee and Wormser read it over.

And he read it quietly and then he came up to me and said, "Norm, I will now confess to you that from the time I accepted this appointment, I've been scared to death. I realized from the beginning I knew nothing about the subject, but now since I read your report, I'm no longer scared. I, at last, understand what's expected."¹⁴

Dodd was told he would be the first witness on Monday morning, May 10, leaving enough time to get copies of his statement run off for the committee and the press.

At the dinner party that evening were Hutchinson, his Washington representative, Reece, Wormser, Dodd, and, much to Dodd's surprise, a leader of the Republican National Committee, Bill Casey. A conversation that forebode problems, according to Dodd, went as follows:

We got there and after dinner was over I sat next to Mr. Hutchinson; Bill Casey was on the other side. Our host turned to Carroll and said, "Carroll, Hutch is here and he's very anxious to know from you where is this investigation going?" "Well, I can't exactly tell you," Carroll said, "but Wormser can tell you." So he turned it over to Wormser who said, "I honestly don't know, but Norm knows." So, I launched out on a brief dissertation of what we were aiming at and what we were justifying striving toward as an objective which, in a sense, was exposure of the foundations' influence on the life of the people of this country over a fifty-year period.

When I finished, Mr. Hutchinson turned to me and said, "Norm, if you go down this road, you'll probably be killed." And I said, "Mr. Hutchinson, I'm kind of funny; if I thought my death would get this story out to the people of this country, I'm strange enough to welcome it." And he said, "If that's the way you feel, God bless you and go to it."

Then Casey spoke up to Wormser and said, "René, I don't see how you are going to get away with it." And René couldn't answer it. I had known Casey before, so I said, "Bill, it's very simple. Fortunately, both René and I can read and when we got to Washington we were handed a congressional resolution which said this, we read it, and that's all we've done."¹⁵

As the guests departed, Wormser told Dodd he was returning to New York for the weekend; he would see him Monday morning before the statement was to be read and that copies would be ready then.

On the morning of the tenth, Dodd and his assistant were having breakfast at their Washington hotel, when Wormser and Koch arrived. As always before, Dodd greeted them, but was taken aback by Wormser's immediate reply: "God

damn you, you fixed it so this investigation has to go down the road of your own liking and your report shall not go in! I'm going down to the House and destroy every copy."¹⁶

Dodd did not respond in kind; he simply stated that the investigation was going to go the way the facts indicated, and not according to anyone's wishes. Breakfast ended in silence, but not without Dodd wondering over and over about what might have happened to Wormser over the weekend.

When Dodd arrived at the committee's office just before the scheduled 10:00 A.M. opening of the hearings, Wormser got up from his desk

and walked over and threw a carbon copy of this report at me on my desk, crumpled, and said, "There's your testimony!" I looked at it and the only change that had been made in it was he deleted a paragraph which he had asked me, as a personal favor, to put in the report which had no bearing whatsoever on the substance of the report. It was merely a sop to him because he wanted to embarrass a particular professor up at Columbia; that's all. And here I had just crumpled carbon copy. We went up to the hearing room, which was a big one. And it was packed. I was sworn in and I started to read from this dirty looking thing. I had been going along about fifteen minutes when Hays spoke up to Carroll and said, "Carroll, where are our copies?"¹⁷

Reece did not know where they were; Wormser offered nothing, and Dodd was not asked about it. To get things moving again, a staff member, legal analyst Kathryn Casey, spoke up and said that typographical errors had been found in the copies. They were being retyped, she said, and copies would be available that afternoon.¹⁸

Before continuing to review these hearings, which ended so tumultuously on June 17, it is important to discuss several things which had occurred during Dodd's prior period of research and which never appeared in the proceedings of the committee.

Soon after going into action, the staff received the Cox Committee files and noticed that a large amount of material critical of the foundations had not been used and some documents seemed to be missing; they never did find out what happened to a file marked "Robert Hutchins," which came to them empty.¹⁹

Dodd and McNiece set about the task of collecting new data. Knowing that about twelve major foundations had existed for most of the previous fifty years and also accounted for about 70 percent of all foundation assets, they narrowed their study to these. They assumed that fair conclusions about the bulk of the foundation world could be drawn from their findings on the funds that were obviously most influential. Whereas the Cox Committee had sent the foundations a detailed questionnaire, Dodd had prepared a list of specific questions in letter form. These were sent out immediately to the major philanthropies, and Dodd soon received a call from Dr. Joseph E. Johnson, the recently appointed head of the Carnegie Endowment for International Peace. They arranged a

meeting with Dodd in the New York endowment offices for the next weekend Dodd would be home.

On that Saturday morning, Dodd arrived to find President Johnson in his office with two vice-presidents and their counsel from the prestigious Washington law firm of Sullivan and Cromwell. Johnson explained that it would be a great deal of trouble for them to answer the questions Dodd had sent because all their old records had been packed in a warehouse after the job of establishing the United Nations was done. They also were concentrating on moving into their new headquarters, opposite the United Nations. This new headquarters was to be in a building housing organizations that supported the UN. Johnson, however, proposed that Dodd send a staff member to New York, saying that he would make the minute books of the foundation available to that person in their library. He thought the committee would be able to find out what it wanted that way. Dodd was amazed that this offer had been made. He assumed that Dr. Johnson, new on the job, simply did not know what might be in those records. He quickly agreed.

Back in Washington, Dodd asked Kathryn Casey to return to New York for the information. An attorney whose primary function was to see that the committee staff did not break any rules of congressional procedure, she was a good choice for an objective task: she was not in favor of the investigation, and she had seen no reason to criticize the foundations. Knowing that in the space of a couple of weeks, she could only cover so much material among forty years of records, Dodd asked her to concentrate on the minutes of the endowment trustees in the first years after 1910 and from about 1917 to 1920.

When Casey returned, Dodd noticed that the trip had been hard on her. Although still shocked and upset, she had managed to transcribe enough material for Dodd to reconstruct what she found. And it was frightening:

[In the minutes, about 1911] the trustees raised a question. And they discussed the question and the question was specific, "Is there any means known to man more effective than war, assuming you wish to alter the life of an entire people?" And they discussed this and at the end of a year they came to the conclusion that there was no more effective means to that end known to man. So, then they raised question number two, and the question was, "How do we involve the United States in a war?"²⁰

This was at a time, of course, when there may have been some crises in places like the Balkans, but most Americans were too busy even to know where those places were.

And then they raised the question, "How do we control the diplomatic machinery of the United States?" And the answer came out, "We" must control the State

Department. At this point we catch up with what we had already found out and that was that through an agency set up by the Carnegie Endowment every high appointment in the State Department was cleared. Finally, we were in a war. These trustees in a meeting about 1917 had the brashness to congratulate themselves on the wisdom of their original decision because already the impact of war had indicated it would alter life and can alter life in this country. This was the date of our entry in the war; we were involved. They even had the brashness to word and to dispatch a telegram to Mr. Wilson, cautioning him to see that the war did not end too quickly.

The war was over. Then the concern became, as expressed by the trustees, seeing to it that there was no reversion to life in this country as it existed prior to 1914. And they came to the conclusion that, to prevent a reversion, they must control education. And then they approached the Rockefeller Foundation and they said, "Will you take on the acquisition of control of education as it involves subjects that are domestic in their significance? We'll take it on the basis of subjects that have an international significance." And it was agreed.

Then, together, they decided the key to it is the teaching of American history and they must change that. So, they then approached the most prominent of what we might call American historians at that time with the idea of getting them to alter the manner in which they presented the subject.²¹

Dodd says the endowment trustees approached outstanding scholars like socialist Charles A. Beard, but were met with firm refusals. Beard later spoke of pressure coming from the same circles of influence to discourage historians from criticizing established lines of foreign policy. However, encountering initial opposition, the Carnegie trustees resolved to build their own stable of kept historians, and they even got a working agreement with the Guggenheim Foundation to grant scholarships to their selected candidates who were seeking graduate degrees.²²

The first president of the endowment was Theodore Roosevelt's secretary of state, Elihu Root. Later a U.S. senator and Nobel Peace Prize recipient, Root was probably the most influential trustee at this time.²³ Others were Nicholas Murray Butler, who succeeded Root as endowment president until 1945, John W. Foster (another former secretary of state), Sen. John Sharpe Williams, and Pilgrim Society leader Joseph H. Choate.²⁴ Certainly it is known that Root was in sympathy with a continuation of the First World War, a goal prominent in the endowment trustee records. Senator Root wrote to President Woodrow Wilson's close advisor Col. Edward Mandell House on August 16, 1918. After discussing the need for "an international community system" to enforce any settlement terms, Root concluded:

I think this covers what I said. I have not undertaken to add to it anything about disarmament, which I consider essential, nor about the necessity of wiping

out the military autocracies who have brought on this War. I think that must be done in order to have secured peace. So long as Hohenzollerns and Hapsburgs remain on the throne, we shall have to be perpetually on the alert against unrepentant professional criminals. Their agreements will always be worthless; their purposes will always be sinister; and, while we can make it much more difficult, we can never make it impossible for them to start again to shoot up the world.²⁵

Colonel House wrote back on August 23, telling Root that he had discussed his letter with Wilson and that he did "not believe there would be much difficulty in bringing our minds in harmony upon some plan" for a "Community of Nations."²⁶

The extent to which the Carnegie trustees were able to build their stable of submissive historians is significant. Not only did some of America's most respected historians swallow the line that Germany was completely responsible for World War I, but Carnegie trustee James T. Shotwell organized the National Board for Historical Service, which was designed to line up all the historians in the Allied cause and in support of Wilson's interventionist policies. Though encountering resistance at first, this group succeeded gradually in capturing more influence in the American Historical Association and affiliated circles.²⁷ It is important to remember that the endowment supported U.S. entry into the war, not for any patriotic purpose, but so that the war would provide an excuse for, if not necessitate, Andrew Carnegie's goal of British-American regional government.

If the startling notes in the endowment archives were not enough to amaze Norman Dodd, the ultimate disclosure was just around the corner. Seeking information from the Rockefeller and Ford foundations, Dodd received a visit in Washington from Dean Rusk and an invitation from Rowan Gaither.

Gaither was a bright young lawyer from San Francisco who attracted the attention of Dean Donald K. David of the Harvard Business School. David had been selected to chair a committee that was put together to help the Ford family decide the purposes for which the new Ford Foundation would act. William Benton had persuaded the family that they needed expert advice on this subject. Benton had been in charge of public relations for Robert Hutchins at the University of Chicago and became active in the management of the *Encyclopedia Britannica* after its production was transferred to the university.²⁸

As president of the Ford Foundation, Gaither invited Dodd to visit his office in December 1953. After Dodd arrived and was greeted in Gaither's office, the two men sat down at his desk. More than two decades later, Dodd recalls Gaither opening the conversation with: "Mr. Dodd, we've asked you to stop in because we thought, off the record, maybe you'd tell us why the Congress should be interested in the activities of foundations like ourselves." ²⁹ Gaither also asked Dodd if he could account for the "bad press" to which the Ford Foundation had been subjected. But before Dodd could think and utter a word, Gaither proceeded with an unforgettable admission:

"Of course, you know that we at the executive level here were, at one time or another, active in either the OSS, the State Department, or the European Economic Administration. During those times, and without exception, we operated under directives issued by the White House. We are continuing to be guided by just such directives. Would you like to know the substance of these directives?"

And I said, "Yes, Mr. Gaither, I'd like to know."

"The substance was to the effect that we should make every effort to so alter life in the United States as to make possible a comfortable merger with the Soviet Union."³⁰

After recovering from his momentary shock at this confession, Dodd recalls replying in reference to the record of left-wing Ford grants, "Mr. Gaither, in the light of what you have just told me, the grants of the Foundation become understandable."³¹ Dodd then suggested that the Ford Foundation might make public its real objectives. Gaither answered,

"This, we would not think of doing, Mr. Dodd, in the making of our grants, we are guided by the contents of four documents—the Ten Commandments, the Sermon on the Mount, the Declaration of Independence, and the Constitution of the United States with its Bill of Rights."³²

Not knowing how those documents were at all compatible with a socialist world government, Dodd, nevertheless, remarked that he thought the Congress would settle for them. Then he addressed Gaither's second question:

"It seems to me that you have answered your own questions for, by not doing so, the foundation is forcing the Congress to spend about \$150,000 to find out what you have just told me. And, your refusal to make any such statement accounts for what you call a 'bad press.' Neither it, nor the Congress, nor the public, knows of any such directives. Therefore, all are bewildered by the nature of many of the grants which the foundation makes. Of course, legally, the foundation is entitled to make them. However, I do not think that the foundation is legally entitled to mislead the public as to the purpose of these grants."³³

Dodd recalls the lunch he had with Gaither after that conversation as strained. The two men never met again.

During his work prior to the hearings in May, Dodd did suffer the inconvenience of having his phone tapped, but most of the pressure that was being exerted against him came from the Anti-Defamation League of B'Nai B'Rith.³⁴ In November 1953 Dodd was invited to speak before an association of foundation fund raisers in Washington who were naturally interested in the projected course of the investigation and in the effect it might have on them. After

checking with Carroll Reece, Dodd kept the engagement and tried to explain the general approach he was taking in preparation for the hearings. During his speech a note was passed to him from someone he did not know, asking Dodd to meet him later at the Mayflower Hotel bar. After the speech the man who had invited Dodd to speak, a Washington representative for the ACLU, called Dodd and said he knew about the note and suggested that he accept, claiming that it came from the most powerful lobbyist in Washington.

When Dodd arrived at the bar he was met by a Herman Edelsberg, who represented himself as the Washington spokesman for the Anti-Defamation League. Mr. Edelsberg, whom Dodd found to be an attractive and interesting personality, had only about one drink during the conversation. Since Dodd was careful to do the same, he can be sure he actually heard what was said. It was not the sort of confrontation one easily forgets. Dodd managed to get Edelsberg to open up, and he talked as a man who had to tell someone unpleasant things he had bottled up too long. He spoke of a very powerful group of men whom he represented. The tone of his remarks seemed to imply that the ADL was only an agency for these men, a weapon they used to discredit their opponents with charges of anti-Semitism. Dodd knew that the ADL had a long record of promoting leftist goals which were quite unrelated, or actually opposed, to the understandable desire of Jews everywhere to avoid persecution. Edelsberg said the men had some very serious problems. They had amassed so much power that it would destroy them. They should dissolve their associations, but he was sure they would not be willing to do so. Dodd well recollects what he said, continuing:

"We will exercise our power and it will destroy us, but it will destroy everything else in the process."

So I said, "Mr. Edelsberg, that really is a helluva problem." "As we exercise our power from here on out, we're going to get closer and closer to the surface and somebody's going to get very curious and pick up the end of the string and follow the string and he's going to find himself at our door."³⁵

It was obvious that Edelsberg was claiming to represent an elite far more powerful than anyone active in the ADL. He told Dodd that the strength of the group was their secrecy and their understanding of the nature of a free society. And their Achilles heel was the possibility that their efforts to cloud public understanding in these areas might fail. Dodd managed to lead Edelsberg on during the conversation, and they parted on friendly terms.

The ADL representative did not contact Dodd again until the afternoon of May 10, shortly after Dodd had presented his report at the committee's opening session. In that report, in addition to a number of other organizations that are criticized as promoting collectivism, the ADL is mentioned.³⁶ It was done casually, Dodd hoping to see what would happen after the committee picked

it up. That afternoon Edelsberg called and said, " 'Norm, I have gone over your testimony twice with considerable consternation. Will you have lunch with me tomorrow?' "³⁷ Dodd consented, trying to imagine how Edelsberg might have gotten a copy.

Not telling anyone of the meeting, Dodd met Edelsberg at the restaurant specified. After ordering lunch, Edelsberg turned and said, " 'Norm, I'm sorry but I've got to ask you a question point blank.' " Dodd welcomed it, not knowing what was coming: " 'How should we dispose of you?' " While Dodd was wondering how to respond to that, realizing fully the power which Edelsberg represented, another question came. " 'Let me ask you one other question first. Is it necessary for us to dispose of Carroll Reece?' " Dodd replied, " 'I can answer that right off the bat, Herman. If it's my testimony that is back of all this, Mr. Reece heard it for the very first time when you heard it. It's all my doings, not Mr. Reece's.' " " 'Well,' " Edelsberg exclaimed, " 'I'm glad of that because we would hate to bring his life or his congressional career to an end.' " Dodd persisted, " 'Well, you can forget that.' " Edelsberg further stated that his principals did not like the fact that Dodd's report to the committee had sounded so factual and objective, hoping instead, perhaps, that it would be more vulnerable to criticism. He said he was ordered to have this conversation with Dodd, and ask him those unnerving questions, by " 'some of the most powerful men in the United States,' " who were located in New York.³⁸ Understandably, even many years later, Dodd remembers this chat very well.

Edelsberg added that Dodd could have avoided causing a problem for himself if he had requested dossier material from the ADL representative. Dodd was puzzled and admitted that he had not known that Edelsberg had access to such facilities or that he could call upon him for help. Edelsberg offered to give Dodd personal information on all prominent persons who might ask to testify before the committee, adding, " 'I will say this. It is impossible for you to get such a request from anybody in the United States on whom we do not have a dossier.' "³⁹

Dodd realized that Edelsberg was trying to be allowed to clear all those who might wish to testify in the hearings. Was he trying to make Dodd dependent on his group for aid, or planning to give him false and embarrassing information? Regardless of the motive, Dodd countered with a proposal that he would meet with Edelsberg's bosses whenever they were in Washington and that he would answer any of their questions. Edelsberg agreed, but that was the last Dodd heard of the matter, except that his phone was tapped, he was crudely trailed, and he was made the subject of an attack in the October 1954 *A.D.L. Bulletin*.⁴⁰

THE REECE COMMITTEE APPROACH

In the midst of these turbulent events, Norman Dodd, on May 10, 1954, set the tone for the inquiry in his opening statement.⁴¹ Eager to avoid overlooking hidden assumptions, he began by trying to define for the committee such relevant terms as *foundations*, *un-American*, *subversive*, *political*, and *propaganda*. Then he illustrated the room for abuse that was present in the charters of representative foundations whose grantors had expressed their intentions in very general platitudes which could be used to cover practically anyone else's objectives. He noted specific criticisms of the Cox Committee investigation and called attention to the vast scope of the subject at hand.

Dodd explained that his research staff had decided that the only practical approach they could take was to analyze characteristics of major foundations and their work which were truly common, or at least related, to all American philanthropies. He held that this had to be something that many of the funds called the "public interest," a favorite expression of politicians and one badly in need of definition. The only reasonable way, Dodd maintained, of defining this concept was in terms of the fundamental principles of political philosophy that are expressed in the Constitution of the United States. He knew these to include the concept of limited government, a rare ideology in history which subjects the rulers of a state to natural laws and limits their actions to very specific functions and powers which amount to delegations of rights already possessed by the citizens.⁴²

Opposed to this concept was a measurable trend of change in America that had begun about 1933. This was a continuing and rapidly accelerating concentration of power previously retained by individuals and state and local governments into an increasingly powerful executive branch of the federal government in Washington. The trend, quantitatively traced in a separate staff report entered into the hearings, amounted to, by Dodd's definitions, a long-range and continual assault upon the "public interest."⁴³ And Dodd maintained that since this "revolution" had occurred with the support of majority votes at the polls over two decades, the American public must have been conditioned for this change by a similar "revolution" in the educational world. The role of higher education in undermining traditional American concepts of government involvement in every aspect of life had to be studied. And an inquiry into foundation practices was viewed as an appropriate occasion for this, considering the scale of support foundations had provided the nation's colleges and universities.

It is important to note several things which Dodd made clear. He thought more could be learned about the foundations' relationship to the "public interest" by directing attention to the work and records of major recipients of funds, rather than just the trustee organizations themselves. He stipulated that this approach involved a process of deductive reasoning "from total effect to primary and secondary causes." This meant he intended to look at the social, economic

and political conditions of the nation, related to what he defined as the "public interest," recognize these as consequences and trace the necessary and sufficient conditions that, by the nature of those consequences, produced them. With this in mind the staff had been directed to investigate the influence of such major foundation grantees as the American Council of Learned Societies, the National Research Council on Education, the National Education Association, the League for Industrial Democracy, the Progressive Education Association, the American Historical Association, and, as already mentioned, the Anti-Defamation League. He further asked the committee to give special attention to staff findings concerning the work of the new Ford Foundation.

It is significant and worth remembering throughout this discussion that Norman Dodd never claimed that he had proven the statements he offered as general guidelines for the Reece Committee. Indeed, as a preface to his charges, he said:

As this report will hereafter contain many statements which appear to be conclusive, I emphasize here that each one of them must be understood to have resulted from studies which were essentially exploratory. In no sense should they be considered proved. I mention this in order to avoid the necessity of qualifying each as made.⁴⁵

In spite of this statement, the media and many of the major foundations which had requested from the Reece Committee a "bill of particulars" to which they might respond, completely ignored Dodd's remarks in their subsequent attacks on him.⁴⁶

After identifying the foundation-funded groups he listed, Dodd stated that his investigation

has revealed not only their support by Foundations, but has disclosed a degree of cooperation between them which they have referred to as "an interlock," thus indicating a concentration of influence and power. By this phrase they indicate they are bound by a common interest rather than a dependency upon a single source for capital funds. It is difficult to study their relationship without confirming this. Likewise, it is difficult to avoid the feeling that their common interest lies in the planning and control of certain aspects of American life through a combination of the Federal Government and education.⁴⁷

This "highly efficient functioning whole," as Dodd described it, had promoted a new type of curriculum in the nation's schools which substituted "the freedom of the individual as the cornerstone of our social structure" with the collectivistic alternative of "the group, the will of the majority, and a centralized power to enforce this will—presumably in the interest of all."⁴⁸ The new slant was stressed most obviously in the social science field, which the foundations had practically built from the ground up. Dodd noted that these "soft science" fields

were overwhelmingly preoccupied "with the production of empirical data and with its application. Principles and their truth or falsity seem to have concerned them very little."⁴⁹ And it was only after the new methodology of the social sciences had become the established practice that it could be used as a theoretical justification for government programs of social control and engineering, only after human beings had been reduced to the status of highly complex machines that they could be ordered to perform their designated functions.

THE CRUX OF THE MATTER

Before describing and updating the sort of evidence witnesses presented to the Reece Committee in support of Dodd's theses, it is necessary to define the issues he was raising. The claim was made that the foundations' support of higher education, and particularly the social sciences, anthropology, economics, history, politics, psychology and sociology, had overwhelmingly favored work which proceeded along certain lines of approach. Dodd referred to this popular approach as "empiricism," claimed that its assumptions and probable conclusions were opposed to the method of reasoning employed by the Founding Fathers, and asserted that it provided support for collectivism.

Perhaps the most unfortunate thing about the hearings was the fact that Dodd, due to limited time for preparation and constant interruptions during testimony, was not able to give a better presentation. Also, the witnesses, among a number of experts who might have been called for this purpose, were either unprepared to do so or more likely cowed into silence by the abuse they received from Wayne Hays. It was also obvious that counsels Wormser and Koch could not be expected to do so. And the revelations received by Dodd from Gaither and Edelsberg, as well as those Casey found in the Carnegie Endowment archives, could not be introduced into the record without the inevitable outcries of "hearsay" evidence because of unavailable witnesses and inaccessible original copies.

These facts allowed the enemies of the Reece Committee to spread the impression that the hearings were nothing more than a one-sided presentation of Dodd's personal philosophy.⁵⁰ The best example of this misleading impression came during the turbulent testimony of Pendleton Herring, president of the Social Science Research Council and the only representative of the foundation world to testify before the Reece Committee prior to Wayne Hays's deliberate sabotage of the proceedings.⁵¹

Dodd and other witnesses, in pointing to examples of foundation-funded projects which illustrated the issue, had stated that what Dodd referred to as the empiricism of the social sciences was a process of study which concerned itself with gathering observable data from which general conclusions could be drawn. They stressed that this approach did not interest itself with self-evident

principles, such as moral and religious concepts. And yet, although Dodd acknowledged his use of empirical verifications to test his theories, he seemed to be criticizing the application of the so-called scientific method of controlled experimentation to the social sciences. He appeared to be siding with "theories" instead of "facts" and upholding a doctrine of intuitive knowledge against modern science.⁵²

And this was precisely the position which the enemies of the committee used to attack him. The testimony of Dr. Herring was a case in point. After what amounted to a personal castigation of Dodd for even suggesting there might be an interlock between foundations and educational organizations for the promotion of political and economic goals, Herring made two observations. He first pondered the explosion of all kinds of knowledge in this century and its impact, admitting that he knew of no objective way for measuring the relative influences of such ideologies as individualism or collectivism and no means for analyzing their causal roles behind events.⁵³ Strangely enough, his second observation concerned the worldwide significance of "the evil force made manifest by international communism and Soviet imperialism." How he could make this assessment, so calculated to please the majority of the committee, without any method to establish "cause and effect relationships between such ideas and what has happened in our recent history" was not explained.⁵⁴

Instead he lapsed into the rather shopworn expedient of assuming that, because he felt a "sense of bafflement" over the charges made by Dodd and other witnesses, it had to be that they spoke "from ignorance rather than malice."⁵⁵ Presumably, if they really had something to say, *he* would have understood it.

Herring started to enlighten the committee by reassuring them of the noble ideals and independent spirit of the nation's growing number of specialists in the social sciences. The message one gets from his statement is that the social sciences are uniquely American in character and consequence and flowered so well in our nation because of the absence of any centralized control over education by the government.

Of course, as good as this sounded, Dodd had not claimed that there was an "interlock" in government trying to control the social sciences but rather that an "interlock" between the foundation and academic worlds had worked for the growth of big government and carefully prepared the public to accept much of it. And although Herring could claim that social science as a specialization was much more popular in America than in Europe, the philosophical trends in the social sciences to which Dodd was objecting had all been imported.⁵⁶

Herring tried long and hard to obscure that fact by painting what Dodd had called empiricism not only as common sense, but also as American as apple pie. He stated:

To approach a problem empirically is to say: "Let's have a look at the record." To employ the empirical method is to try to get at the facts. Where feasible, counting and measuring and testing is undertaken. There is nothing necessarily technical

about empirical methods and there is no simple distinctive empirical method as such.

Congressional investigating committees normally follow an empirical approach. To imply something immoral about using an empirical method of inquiry is like implying that it is evil to use syntax.⁵⁷

Perhaps the president of the Social Science Research Council could have explained how congressional committees use the empirical method when "there is no simple distinctive empirical method" at all. He did not, but instead employed the fallacious argument of *tu quoque*, implying that his accusers were guilty of the same thing of which they had been critical, a popular way to avoid speaking to the charges themselves.

Characterizing what Dodd called empiricism as mere "fact-finding," Herring admitted that such was not enough, reassuring the committee that all social scientists employed assumptions in the area of deciding which subjects or questions were worth investigating. He would also sanction the view that an activity of pure data collection was open to charges of "aimlessness," but he insisted that "the scientific investigator does not work to establish predetermined conclusions."⁵⁸ While he admitted that social science was not competent to deal with all human problems, the benefits to be gained are worth the effort, including the possibility that "behavior can be predicted."

Once again, Herring was not speaking to Dodd's objections. Dodd never claimed that what he called empiricism precluded a scholar's selection of subject or hypothesis. His complaint had been that the researcher is required to approach and gather his evidence in a philosophical vacuum. He may not apply universal principles concerning man's nature or his institutions to the observable facts he finds. He may only collect individual facts in the area of his interest, and then try to form some generalizations to report or explain them. As Dodd later testified in answer to a question:

The important thing to nail down here is that this empirical work doesn't operate at this range of generality about man and society. It deals with men that you can observe, doing things that you can observe, and then figuring out if there is some way, in this particular instance, with respect to the particularities, under which hypotheses can be adumbrated with reference to the observed behavior. It is not man in the abstract.⁵⁹

Although they are expected "to separate mere speculation from fact-finding," Herring lamented that many researchers failed to maintain a strictly empirical outlook and were given "to speculate, to guess, to haphazard opinions" suggestive of "a human tendency, if not a common human weakness." Though prone to this "weakness," social scientists have as "their duty to guard as best they can against letting wishful thinking get in the way of objective analysis."⁶⁰

In addition to confirming Dodd's position by such remarks, Herring tried a most intriguing ploy. Knowing the majority of the committee members and staff were resolute in their anticommunism, he sought to portray the social sciences in general, and empirical research in particular, as completely at odds with Marxist ideology:

The current and most menacing school of thought that denies the fundamental premises of the social sciences is the Marxian philosophy of history. The obvious unreality of their dogma seems to have no effect upon the adherents of Communism, despite the fact that it has led to the triumph of statism and the worst tyranny of modern times. The point here is that it denies the validity of empiricism as a relevant method of inquiry because it asserts that the course of history is inevitable and individuals can do nothing to basically affect the outcome.⁶¹

Herring supplemented his testimony on this issue with a lengthy prepared statement about the subservience of research in the Soviet Union to the assumptions of the state, including a translated article from a Soviet publication which attacked scientific research in America with the usual rhetoric. So it was perfectly easy to see that any claim that the empiricist methodology of the social sciences had anything in common with collectivism was, as Herring put it, "symptomatic of a troubled state of mind on the part of a few persons."⁶²

TOO LITTLE, TOO LATE

It is possible that the committee staff might have been able to question Dr. Herring sufficiently to demonstrate the weaknesses in his claims, but they were not going to have that chance. Out of respect for this representative of the foundation world, Reece and his staff allowed Herring to present his lengthy statement with very few interruptions for questions or comments. The members of the committee, as usual, had had very little time to analyze his presentation prior to hearing it in session. So they waited to question him at the conclusion.

Wayne Hays was unusually quiet during Herring's testimony and obviously appreciated it very much. On the excuse that he feared not being able to cross-examine them after their testimonies, Hays had repeatedly interrupted most of the earlier witnesses, breaking into the attempted testimony of attorney Aaron Sargent almost 250 times in three hours.⁶³ The transcript of the hearings is full of examples of his rude and obstructive behavior, which did succeed on occasion in eliciting responses in kind from other committee members and witnesses.⁶⁴ Hays delayed the hearings by several days by interrupting with protests, making minor speeches, and endeavoring to change the subject under discussion.⁶⁵ His was the manner of the lawyer who tries to harass and discredit the witness against whom he has no evidence to offer. But Hays did not explode

until the Reece Committee began to question *his* witness. He began insulting the staff and majority members of the committee, and Norman Dodd recalls the aftermath on Thursday, June 17:

And Hays took that as an occasion to blow his top. And he called Carroll every unprintable name in the book and accused Carroll of muzzling the foundations. And, Carroll—the place got in an uproar, it was as disgraceful a performance as had ever occurred in a legitimate hearing.⁶⁶

Of course, the foul language was not recorded in the printed version of the hearings.

The next day Reece announced that the hearings would be postponed until June 22 because he would be out of town. A trip by Hays to Hawaii on business further delayed resumption, and on July 2 Reece announced that there would be no further hearings. The foundations scheduled previously to testify were requested to submit written statements to the committee. These would be published in the record of the committee's hearings and the committee staff was directed to prepare a majority report based on these statements and other evidence collected "through means other than public hearings."⁶⁷ Consequently, Dodd notes,

Wormser got his wish, which was the committee would, as it were, throw out into circulation a report and let the foundations react any way they wanted to. So, I could personally not understand Carroll's failure to take control of Hays. I couldn't really understand it. Particularly as, in the offing, lay the opportunity to call the head of the Ford Foundation, and head of the Carnegie Endowment and ask them certain questions. And we could tell whether they answered them truthfully, or they couldn't answer. We could have subpoenaed the books of the Carnegie Endowment because there was the story in support of Carroll's suspicion that this country had been the victim of a conspiracy. Well, I just couldn't understand his capitulation to Hays. That day at luncheon Carroll said to me, "Now, you and I will go down to Hays's office and placate him." So we went. And in my presence Hays apologized to Carroll for what he had done. He did it with tears rolling down his face.

Yes, he just apologized, told Carroll he was incredibly sorry about it. His temper had gotten the best of him. And Carroll could have taken advantage of this to settle how we would go on with the hearing. But he didn't, and Hays remarked to him the worst of his tantrum was his loss of friendship for me. So, from my point of view, it was a simple matter to get Hays to calm down and agree and let Carroll go on and bring out what should have been brought out, but he didn't. This I couldn't understand.

My first thought was that I would go up to Philadelphia and see Mr. Pew. I'd get Mr. Pew to straighten this thing out to get Carroll to act. Well, then I tried to get Mr. Pew on the telephone and he was away, so I didn't go; but I went back finally to Mr. Hutchinson's representative. In order to not be seen going over to him, I went about one in the morning. I got to him and I said, "I just can't understand it." He

looked at me and said, "Don't you know, Norm, the position that Carroll Reece is in?" I said, "No." Well then he told me that Carroll was subject to blackmail. On the police blotter in Washington was a record of an arrest of Carroll for homosexuality in a public washroom shortly after he was first elected. A frame-up? There it was. God, I couldn't anymore believe it than the man in the moon.

Then he said, "Do you also know how Mr. Pew and Mr. Hutchinson feel about this investigation?" I said, "No, except what he had told me." Then he told me this story. He said that when they finally convinced Carroll that they wanted him to conduct this investigation, they then said to Carroll, "Now, of course, we know the first thing you've got to do is pick a counsel. We want to know whom you pick before you appoint him." So, eventually Carroll let him know he had picked Wormser. And he went back and told them. They made their own investigation and sent for Carroll and said, "No." And Carroll went ahead in the face of their saying no.⁶⁸

Norman Dodd never knew all the reasons for this attitude toward Wormser, but "the gist of it was that Wormser was in cahoots with the very side that was to be investigated."⁶⁹ Regardless of the substance behind this charge and Dodd's disappointment over Reece's lack of courage, there was nothing more that could be done. Wayne Hays had done the job requested by the Eisenhower administration.

While the Reece Committee was preparing to publish all of the statements received from foundation representatives prior to the issuance of its own majority report, major newspapers like the *New York Times*, which had attacked the committee all along, now joined the chorus of angry foundation executives and attacked the committee for halting the hearings that their hero had sabotaged.⁷⁰

Although the majority report was little more than a summary of the evidence given in testimony before the Cox and Reece committees, it did manage to answer and refute a number of the frail excuses and rationalizations put forth by such fund spokesmen as Carnegie's Charles Dollard and Rockefeller's Dean Rusk.⁷¹ The most regrettable thing about the report, prepared under Wormser's direction after Norman Dodd had returned to New York, was that it failed to expose the evidence that Dodd had accidentally uncovered and that verified his gravest suspicions all along.

Under the weight of media and, possibly, White House pressure, Representative Goodwin filed a separate statement in which he tried to disown the weight of the indictment against major foundations that the majority report represented. Instead he chose the safer path of avoiding the sort of abuse he had received from Hays by merely reconfirming his support for the brief conclusions of the Cox Committee.⁷² The minority report submitted by Hays and Pfof was a masterpiece of self-righteous indignation that depended for its credibility on the fact that most of those who read it or media reports of its contents had read none of the hearings.⁷³

Perhaps the most revealing fact about the frightened elite's attack on the Reece Committee was their frantic effort to discredit or belittle the witnesses

who testified against them as men, to use Robert Maynard Hutchins's reference, "of dubious standing."⁷⁴ All considerations about the limits of their testimony due to Hays's harassment aside, it is always more convenient to employ an *ad hominem* argument than to deal with the issues. But the foundation establishment had wounds to lick. A majority report of a committee of the U.S. House of Representatives had shown their responsibility for promoting, almost exclusively, socialism at home and world government abroad, and doing so at taxpayers' expense. And they were not able to cow all prominent academicians into line. Men of the standing of Harvard sociologist Pitirim Sorokin gave emphatic support to Dodd's criticisms of the foundations in the social science field.⁷⁵ In open letters published in the committee record, but not the *New York Times*, we find statements like the following from economist Ludwig von Mises, perhaps the most articulate expositor on this subject:

It is a fact that the intolerant practices of many university departments of the social sciences are lavishly financed by some rich foundations. These foundations are uncritically committed to the epistemological ideas and the political bias prevalent in the university faculties. But it was not foundations that inaugurated this tendency and converted the foundations to their opinions. The trustees and the staffs of the foundations were convinced that the best method they could choose was to put their trust in the professors. They were deluded by the prestige that the name universities enjoyed. They adopted the professor worship current in some European countries.⁷⁶

Professor Mises had correctly observed nothing but "stereotyped repetitions" of the dominant methodology Dodd criticized in all the reports and public utterances by foundation representatives. It is most important that the case unsuccessfully argued by the sabotaged Reece Committee be convincingly pursued with examples of major foundation work in more recent years.

PART II:

The Major Foundations Today

That detailed examination of evidence—from the publications of the Reece Committee to the present—is necessary if we are to be able to create sufficient public understanding to prevent the foundations from destroying what remains of the system that made possible the creation of the accumulated wealth which sustains them.

Notes

CHAPTER ONE

1. A quick-reference tabulation of the scope of American funding is Joseph Dermer, ed., *Where America's Large Foundations Make Their Grants* (New York: Public Service Materials Center, 1971).
2. Both the Foundation Center, under President Thomas R. Buckman, and the approximately 800-member Council on Foundations, Inc., whose most recent chairman was Robert Goheen, are headquartered at 888 Seventh Avenue in Manhattan. I found Buckman and the research facilities of the center to be quite helpful. Perhaps the center's most useful product is the professional bimonthly, *Foundation News*, which contains articles of interest both to grantors and grantees; it also contains "The Foundation Grants Index," a continuously compiled descriptive listing of all grants of \$5,000 or more made by the foundations. With such resources and facilities the foundations now manage to publicize their activities much more widely. This kind of work had previously been the occasional, but much more limited, interest of the Russell Sage Foundation and its publications. We shall note later that the Foundation Center and the Council on Foundations shares the ideological positions of many of their major constituents.
3. Compiled by the Foundation Center, Marianna O. Lewis, ed., Patricia Bowers and Terry-Diane Beck, asst. eds., (New York: Foundation Center, distributed by Columbia University Press, 1975). Hereinafter, *Foundation Directory*. Descriptive information about it is derived from the Foundation Center's 1974 *Annual Report*, pp. 20-22.
4. Thomas T. Whitney, "Private Philanthropy and Public Needs. . . . The Filer Commission and the Donee Group Reach Different Conclusions About the Future Direction of Philanthropy," *Grantmanship Center News*, vol. 2, no. 6 (December-February 1976), pp. 9-14, statistics on p. 9.

5. It should go without saying that my concentration in this book is upon particular foundations and their activities with which I find fault but is in no way intended to disparage, deny, or obscure the fact that the overwhelming majority of foundations, including, to some degree, most of those I criticize, have made immeasurably valuable contributions to virtually all aspects of both American society and much of the rest of the world. I would hope that no one would conclude otherwise. Such an error is surely possible, however, judging from the little attention that is paid to the fact that what made the wealth of the foundations possible was the free enterprise system and those who chose to earn rewards from it.

6. *Foundation Directory*, p. xiv.

7. *Ibid.*, pp. xiv–xxi. A rather complete bibliography of books on the foundations is listed on pp. 430–32, but its compiler, center President Emeritus F. Emerson Andrews, omitted listing, among the out-of-print titles, the one work which came closest to the approach I am taking: René A. Wormser, *Foundations: Their Power and Influence* (New York: Devin-Adair, 1958). Apart from the published Cox and Reece committee *Hearings and Reports*, and despite its flaws, Wormser's recently reprinted book is the only earlier study which criticized the foundations from a conservative perspective. Thus its omission from the list is a comment on the "open-mindedness" of the late F. Emerson Andrews. Most of the books he listed are either foundation self-analyses or are by liberals who might complain that the foundations are not partisan enough in their direction. We shall have need to refer to a number of these works later; they are sources of much statistical data on the foundations. A more recent critical work also not listed is Ben Whitaker, *The Philanthropoids: Foundations and Society* (New York: William Morrow, 1974).

8. This impression was gleaned not only from reading some of the foundation self-analysis books mentioned above but also from remarks made to me by David Z. Robinson, vice-president of the Carnegie Corporation, referring to Alan Pifer, Carnegie Corporation president: "He wants to get every staff member's comments on grant proposals. We go to the board of trustees with a big, thick agenda, and when we've laid out everything, and said, 'Board, do you want to do this? It's your decision, we recommend that you do it,' they usually go along with our recommendation, but they raise questions at a board meeting." Interview with David Z. Robinson, New York, June 9, 1976, recorded, hereinafter, "Robinson Cassette." According to the 1975 *Annual Report* of the Carnegie Corporation, Pifer also serves on the finance and administration committee, the nominating committee, and the board of trustees.

9. *Foundation Directory*, p. xxii. This list generally matches the list of foundations on the basis of assets, p. xviii, table 7. The most recent list appears as a table in this chapter.

10. Of the total assets of the 2,533 foundations listed in the *Foundation Directory* (\$31.5 billion), the combined assets of just the Ford Foundation, the Carnegie Corporation, the Rockefeller Foundation, and the Rockefeller Brothers Fund, \$4.5 billion, represent 14 percent; of the total grants (\$1.5 billion), these four account for almost 19 percent (\$283 million).

11. *Foundation Directory*, p. xxiii.

12. I do not mean to minimize the other factors which contribute to orthodoxy's close-mindedness. New conclusions may reflect poorly on esteemed individuals or accepted practices, and a listener may naturally want to think only the best of his colleagues and fellow men. Also, nonconformist innovators are too often, in their zeal for their discoveries, blind to the reality that they must communicate their findings in a way which will not unnecessarily attack or threaten the self-esteem of their critical contemporaries.

CHAPTER TWO

1. Because the public accountability of foundations is a consequence of their tax-exempt status, the arguments presented in this book are all in the present context of involuntary government taxation. As a libertarian, I advocate a laissez faire economy in which government would have a monopoly only on the provision of local criminal justice and national defense, all other products and services being offered on the free market. I do not think it is unreasonable to suppose that under such a system individuals would voluntarily pay the state for its two functions since they would not be forced to pay for anything else. Obviously, in a free economy all problems relevant to tax-exempt foundations would disappear, except instances of criminal conduct punishable under other laws. All charities could function as competing, profit-making companies, offering some investment return to their contributors, or they might compete solely on the basis of their beneficent accomplishments. I think this is the ideal form of public accountability. It is truly self-correcting, and I am convinced that it is a realistic goal for the future.

2. A major source on the Rhodes-Milner Round Table Groups is Carroll Quigley, *Tragedy and Hope* (New York: Macmillan, 1966), pp. 128–33. Although the late Dr. Quigley's controversial book, which Macmillan did not reprint even though it was a bestseller, is now available from Angriff Press of Los Angeles, it suffers from a lack of supporting documentation. Much of what he claims is, however, substantiated by references in Carroll Quigley, "The Round Table Groups in Canada, 1908–38," *Canadian Historical Review*, vol. XLIII, no. 3 (September 1962), pp. 204–24. See also George Gale, *The Exploitation of the British Flag by Rhodes, Chamberlain, Milner & Co.* (Leeds: J. H. Wigglesworth, 1922); Alfred Lord Milner, "Credo," *Times* (London), July 27, 1925, pamphlet reprint; Frank Aydelotte, *The American Rhodes Scholarships* (Princeton: Princeton University Press, 1946), pp. 1–20; Andre Maurois, *Cecil Rhodes* (New York: Macmillan, 1953); Walter Nimocks, *Milner's Young Men: the "Kindergarten" in Edwardian Imperial Affairs* (Durham: Duke University Press, 1968), especially p. 145 on affiliated personalities; and Brian Roberts, *Cecil Rhodes and the Princess* (Philadelphia: Lippincott, 1969), pp. 205–6, on Rhodes's dispute with Princess Catherine Maria Radziwill in 1895 (he threatened never to see her again if she did not immediately return papers of his dealing with the planned raid against South Africa led by Leander Jameson).

Milner's role in the Bolshevik takeover of Russia in 1917, not exactly conducive to the health and expansion of the British Empire, is discussed in Boris L. Brasol, *The World At the Cross Roads* (Boston: Small, Maynard & Company, 1921), pp. 81–83; R. H. Bruce Lockhart, *British Agent* (London: G. P. Putnam's Sons, 1933), pp. 159–65, 197–207; Arsene de Goulévitch, *Czarism and Revolution* (Hawthorne, California: Omni Publications, 1962), p. 230; and Antony C. Sutton, *Wall Street and the Bolshevik Revolution* (New Rochelle, New York: Arlington House, 1974), pp. 89–94, 102, 175.

The role of the Round Table Groups in promoting anticolonialism throughout the British Empire, once again divergent from Rhodes's ideals, is mentioned in: Nesta H. Webster, *The Surrender of an Empire* (London: Boswell, 1931), pp. 153, 329–30, 374.

3. Aydelotte, *The American Rhodes Scholarships*, pp. 1–20. The quotation is from a "Confession of Faith" attached to a letter from Hawksley to Michell, both initial Rhodes trustees, dated July 9, 1904. It is listed as Cecil Rhodes's Will, (No. 17), Mss. E I-X,

at Rhodes House Library, Oxford. The quotation appears on pp. 2–3 of a xerox copy kindly provided me by W. S. Olivier of South Africa, who was preparing a graduate study on the Round Table. Rhodes's handwriting is not always clear, but I have tried to render the quotation correctly. In the second paragraph it appears that he wrote, "Why should we not join," rather than, "Why should we not form," a secret society. Most writers seem to assume that he meant "form," but the possibility exists that he and others joined an existing organization. If so, it may be more than coincidence that William T. Stead, Rhodes's mentor, was closely associated in the Fabian Society with leading theosophist Annie Besant, and that the theosophical movement had a related Order of the Round Table. On this see Gertrude Marvin Williams, *The Passionate Pilgrim* (New York: Coward-McCann, 1931), pp. 23, 45, 167–84, 201, 318; Webster, *Surrender*, pp. 144–61, 302, 309; and Nesta H. Webster, *Secret Societies and Subversive Movements* (London: Boswell, 1924), p. 323.

One of the original Rhodes trustees, Sir Francis Wylie, wrote in the January 1945 issue of *The American Oxonian*:

In January, 1904 Mr. Hawksley, sending his co-trustee a copy of a document by Rhodes, said in a covering letter: "I know, perhaps no one better, how much store Rhodes put upon the long document and his wishes as therein indicated. I think when you read the paper you will understand what I meant when I said I did not regard the will as an educational one in the same sense that you did." Hawksley was right. This is not an educational endowment as ordinarily understood. Its purpose is not to give anybody an education he could not otherwise afford; nor to promote learning; but to encourage in the rising generation of English-speaking people a particular outlook on the problems of the world—to give them, in fact, a political bias.

This was quoted in William Fulton, "Rhodes' Goal: Return U.S. To British Empire, Scholars Work to That End," *Chicago Tribune*, July 15, 1951. This evidence has led some people to conclude that the scheme which Rhodes promoted was exclusively a drive for British imperial domination, motivated by a belief in the doctrine of British-Israel, which claims that some of the lost tribes of biblical Israel migrated to ancient Britain, making the Bible prophecies about Israel apply to the empire. This view is, perhaps, most strenuously argued in Catherine Palfrey Baldwin, *And Men Wept* (New York: Our Publications, 1954). The promotion by the Round Table Groups of Bolshevism and anticolonialism, however, shows that their assumed goals were not their only ones.

4. Rhodes, "Confession of Faith," copy, pp. 6, 13.

5. Quigley, "The Round Table Groups in Canada, 1908–38," pp. 218–19.

6. *Ibid.*, pp. 222–23.

7. "... There does exist, and has existed for a generation, an international Anglophile network which operates, to some extent, in the way the radical Right believes the Communists act. In fact, this network, which we may identify as the Round Table Groups, has no aversion to cooperating with the Communists, or any other groups, and frequently does so. I know of the operations of this network because I was permitted for two years, in the early 1960s, to examine its papers and secret records. I have no aversion to it or to most of its aims and have, for much of my life, been close to it and to many of its instruments. I have objected, both in the past and recently, to a few of its policies notably to its belief that England was an Atlantic rather than a European Power and must be allied, or even federated, with the United States and must remain isolated from

Europe, but in general my chief difference of opinion is that it wishes to remain unknown, and I believe its role in history is significant enough to be known. . . . The power and influence of this Rhodes-Milner group in British imperial affairs and in foreign policy since 1889, although not widely recognized, can hardly be exaggerated." Quigley, *Tragedy and Hope*, pp. 950, 133. And, perhaps, in reply: "There was a tendency among contemporaries [in the 1930s] and subsequent historians to sniff out a 'conspiracy' and to saddle the whole Kindergarten with policies only some of them espoused." David Watt, "The Men of The Round Table," *The Round Table*, no. 235 (July 1969), p. 328. For many years this ponderous organ of the groups was published with no listing of staff or other credits. The "Kindergarten" was the name of the Group in South Africa under Milner's leadership.

8. U.S. Congress, *Hearings, Special Committee to Investigate Tax-Exempt Foundations and Comparable Organizations*, House of Representatives, 83rd Cong., 2nd sess. (Washington: G.P.O., 1954), part 1, p. 16.

9. Rockefeller's influence behind the Sixteenth Amendment is indicated in the action of his friends in the Senate. See Cordell Hull, *Memoirs*, (New York: Macmillan, 1948), p. 60. Strangely, we find elite capitalists promoting a graduated personal income tax, one of the ten planks in the Marxian program for converting a nation to socialism (See Karl Marx and Friedrich Engels, *The Communist Manifesto* [New York: Washington Square Press, 1964], p. 94).

10. U.S. Congress, "Undermining America," Remarks of Hon. J. Thorkelson of Montana, House of Representatives, *Congressional Record*, August 19, 1940 (hereafter, Remarks of Hon. J. Thorkelson, *Congressional Record*, August 19, 1940), quoting from Carnegie's *Triumphant Democracy; or, Fifty Years' March of the Republic* (New York: Scribner, 1886). I do not endorse Thorkelson's accompanying views, which have been criticized as being tainted with anti-Semitism.

11. U.S. Congress, John J. Whiteford, "Sir Uncle Sam, Knight of the British Empire," Remarks of Hon. J. Thorkelson of Montana, House of Representatives, *Congressional Record*, August 20, 1940. More on the Pilgrims and their associates is in Helen P. Lasell, *Power Behind the Government Today* (New York: Liberty Publications, 1963), pp. 113–21, documents reproduced.

12. Remarks of Hon. J. Thorkelson, *Congressional Record*, August 19, 1940, quoting in full Andrew Carnegie's article, "Drifting Together—Will the United States and Canada Unite?" written by request for the *London Express*, October 14, 1904, a copy of which, in pamphlet form, was placed in the New York Public Library on February 27, 1906, by Pilgrim Society member U.S. Ambassador to Britain Joseph H. Choate.

13. *Ibid.*

14. U.S. Congress, *Industrial Relations, Final Report and Testimony Commission on Industrial Relations*, 64th Cong., 1st Sess., Senate Document No. 415 (Washington: G.P.O., 1916). Sources which discuss the material in the eleven volumes and 11,250 pages this commission produced include Morris Hillquit, *Loose Leaves From A Busy Life* (New York: Macmillan, 1934), pp. 92–106, in which this wealthy and influential pro-Bolshevik discusses his appearance before the commission as a representative of the Socialist Party and recounts his debate there with Samuel Gompers of the AFL; Dwight Macdonald, *The Ford Foundation: The Men and the Millions* (New York: Reynal, 1956), pp. 22–25; Wormser, *Foundations*, pp. 5–14; Warren Weaver et al., *U.S. Philanthropic Foundations: Their History, Structure, Management, and Record* (New York: Harper & Row, 1967), pp. 170–71; F. Emerson Andrews, *Patman and Foundations: Review and*

Assessment, Occasional Paper 13 (New York: Foundation Center, 1968), p. 2; William H. Rudy, *The Foundations, Their Use and Abuse* (Washington: Public Affairs Press, 1970), p. 7; Joseph C. Goulden, *The Money Givers* (New York: Random House, 1971), pp. 37–40, 126; Myer Kutz, *Rockefeller Power* (New York: Pinnacle Books, 1974), pp. 48–49.

15. R. M. Whitney, *Reds in America* (Boston: Western Islands, 1970; reprint of New York: Beckwith Press, 1924), See pp. 43, 133–42, and p. 207 on the relationship of the UMW to the Communists.

16. All Rockefeller biographers have discussed the role of Gates. A particularly interesting summary appears in G. Edward Griffin, *World Without Cancer: The Story of Vitamin B-17* (Westlake Village, California: American Media, 1974), pp. 362–76.

17. Wormser, *Foundations*, pp. 7–8.

18. *Ibid.*, pp. 5–6.

19. Macdonald, *The Ford Foundation*, pp. 23–24.

20. *Ibid.* See Wormser, *Foundations*, p. 7, for quote.

21. *Ibid.*, Wormser, pp. 11–12.

22. *Ibid.*, pp. 12–13.

23. Macdonald, *The Ford Foundation*, p. 23.

24. Wormser, *Foundations*, pp. 8–9. See also Goulden, *The Money Givers*, pp. 38–40.

25. Wormser, *Foundations*, p. 8.

26. The early record of the Rockefellers' use of the U.S. government to destroy competition around the world is in Ludwell Denny, *We Fight for Oil* (New York: Alfred A. Knopf, 1928). This was reprinted in 1975 by Omni Publications, Hawthorne, California.

27. *Revolutionary Radicalism, Its History, Purpose and Tactics, with an Exposition and Discussion of the Steps Being Taken and Required to Curb It, Being the Report of the Joint Legislative Committee Investigating Seditious Activities, Filed April 24, 1929, In the Senate of the State of New York, Part I: Revolutionary and Subversive Movements Abroad and at Home*, 4 vols. (Albany, New York: J. B. Lyon Company, 1920), vol. I, pp. 993–97.

28. William H. McIlhany II, *The A.C.L.U. on Trial* (New Rochelle, New York: Arlington House, 1976), pp. 113–20.

29. *Revolutionary Radicalism*, vol. I, pp. 1090–91, and quoted in McIlhany, *A.C.L.U.*, pp. 195–98.

30. Robert H. Montgomery, *Sacco-Vanzetti, The Murder and the Myth* (New York: Devin-Adair, 1960), pp. 328–29; R. G. Brown, et al., *Report Upon the Illegal Practices of the United States Department of Justice* (New York: Arno Press and the New York Times, 1969 reprint of 1920 edition). This report should be read along with Montgomery.

31. Whitney, *Reds in America*, p. 109.

32. Maurice L. Malkin, *Return to My Father's House: A Charter Member of the American Communist Party Tells Why He Joined—And Why He Later Left to Fight Communism* (New Rochelle, New York: Arlington House, 1972), p. 118.

33. Barton Bean, "Pressure for Freedom: The American Civil Liberties Union" (Cornell University doctoral dissertation, February, 1955; Doctoral Dissertation Series, Publication Number 11,893, available from University Microfilms, Ann Arbor, Michigan), p. 397. Walsh was affiliated with several Communist fronts during the 1930s, mostly having to do with support for the Communist side in the Spanish Civil War. It is significant that he *did* resign his post on the executive board of the National Lawyers Guild in 1939, claiming the guild to be, as it was officially cited, a Communist-controlled organization. This was at the time of a parting of the ways between idealistic liberals and

dedicated Stalinists in the American left over the Non-Aggression Pact signed that year between Russia and Germany. On Walsh, see U.S. Congress, House, Special Committee on Un-American Activities, *Investigation of Un-American Propaganda Activities in the United States, Appendix—Part IX Communist Front Organizations with Special Reference to The National Citizens Political Action Committee*, 78th Cong., 2nd sess., 3 vols., (Washington: G.P.O., 1944), vol. 1, pp. 667, 729, 770, 964; vol. 2, p. 1274; vol. 3, p. 1702. Hereinafter, *Dies Committee Report*. The story of the effect of the Stalin-Hitler pact on the A.C.L.U. parallels the case of the National Lawyers Guild involving Walsh, and is told in McIlhany, *A.C.L.U.*, pp. 139–42.

34. Whitney, *Reds in America*, pp. 108–9.

35. Sutton, *Wall Street and the Bolshevik Revolution*. In this otherwise invaluable study, I take issue with the author's conclusion that the assistance of wealthy capitalists to the rise of communism in Russia was motivated exclusively by a search for new markets for their products. Not only would such future East-West trade be conducted almost always at the expense of U.S. taxpayers, as Sutton proved in his three-volume *Western Technology and Soviet Economic Development*, 3 vols. (Stanford, Ca.: Hoover Institution, 1968–73), but, also, other projects financed by the same individuals through their foundations, which we shall illustrate, clearly indicate broader political motives than Sutton's narrow study suggested.

36. Remarks of Hon. J. Thorkelson, *Congressional Record*, August 19, 1940; as before the reader is cautioned against Thorkelson's personal interpretations; McIlhany, *A.C.L.U.* pp. 113–20; and Arthur Sears Henning, "Propaganda For World Peace Is On Grand Scale: Ten Million Dollars in the Endowment," *Chicago Daily Tribune*, July 19, 1927.

37. Patman's interest in investigating the Fed, though well known in later years, dates back at least to 1953 when he wrote a letter referring to such an investigation. Rep. Wright Patman to Eustace Mullins, November 23, 1953, reproduced in Eustace Mullins, *The Federal Reserve Conspiracy* (Hawthorne, California: Omni Publications, 1971 reprint of 1950 edition), letter on back of title page. Although there is much of interest in this early work of Mullins, the views he expressed in most all of his later writings are strictly his own.

38. U.S. Congress, House, Chairman's Report to the Select Committee on Small Business, *Tax-Exempt Foundations and Charitable Trusts: Their Impact On Our Economy*, 87th Cong. (Washington: G.P.O., December 31, 1962). In addition to the original texts the reader can find a lengthier survey of all the Patman findings in Goulden, *The Money Givers*. See also Robert S. Allen and Paul Scott, "Tax-Exempt Foundations Studied," *Los Angeles Times*, December 10, 1962; Laurence Burd, "Rep. Patman Seeks to Put 25-Year Limit on Life of Foundations: Wants Big Funds Policed by New U.S. Agency," *Chicago Sunday Tribune*, January 6, 1963; and "Why the Foundations Are Under Fire," *U.S. News and World Report*, January 21, 1963, pp. 83–85.

39. This same complaint was made even more loudly against the Reece Committee in 1954, the subject of the next chapter. It is interesting that Patman was likewise charged with having conducted a one-sided investigation because he compiled and published research reports which did not include records of formal rebuttal from the foundations and because he did not spend time lavishing praise on all the positive aspects of private philanthropy. An investigation presupposes that something seems to be wrong, even though there may be many other aspects of the subject under investigation that are clearly aboveboard. An investigation into possible wrongdoing does not properly concern

itself with laudatory compilations on its suspects; that is not its purpose. And until some evidence is collected and compiled that indicates criticism or formal charges are justified, there is nothing to which the suspects under examination can respond. We shall see how little came of the Cox Committee investigation because it was not conducted as was Patman's. But the foundation apologists had to say something in defense of their institutions, and they did so, using familiar clichés; see Weaver, *U.S. Philanthropic Foundations*, pp. 180–86; Andrews, *Patman and Foundations*, pp. 4–5, 52–55. If anything would make the reader a partisan of Patman, it would be the elitist tone of these few pages in which Andrews, without citing any evidence, throws off a slapdash analysis of Patman's psychology that is pure argument by intimidation.

40. Weaver, *U.S. Philanthropic Foundations*, p. 180, saying Patman began in 1961 "presumably on the assumption that foundations were affecting small business."

41. U.S. Congress, *Tax-Exempt Foundations*, pp. 9–13.

42. *Ibid.*, pp. 1–9.

43. Burd, "Rep. Patman Seeks 25-Year Limit."

44. U.S. Congress, *Tax-Exempt Foundations*, p. v.

45. U.S. Congress, House, Subcommittee Chairman's Report to Subcommittee No. 1, Select Committee on Small Business, *Tax-Exempt Foundations and Charitable Trusts: Their Impact On Our Economy, Second Installment*, 88th Cong. (Washington: G.P.O., October 16, 1963). Hereinafter, *Patman Report* for this and subsequent reports, as titles differ only with respect to the installment number.

46. *Patman Report, Third Installment*, March 20, 1964.

47. *Ibid.*, p. iv.

48. *Patman Report, Fourth Installment*, 89th Cong. December 21, 1966, p. 5.

49. *Ibid.*, p. 9.

50. *Ibid.*, pp. 9–10. A good and more recent example of such a grant made for a study with obviously preconceived notions that the study is to support was a donation of \$200,000 from the Carnegie Corporation in 1974 to the NAACP Special Contribution Fund. The corporation announced in its *Annual Report* (New York: Carnegie Corporation, 1974), pp. 33–34, that the grant is for expenses that will be necessary because "the NAACP is attempting to prove that the isolation of black children in black schools is in each case the partial result of conscious policy."

51. *Patman Report, Fifth Installment*, 90th Cong. April 28, 1976. On the recent sale of the Irvine Company property held by the Irvine Foundation, see Larry Peterson, "TAI Apparently Wins Irvine Bidding Battle," *Santa Ana Register*, May 21, 1977.

52. *Patman Report, Hearings*, 90th Cong., 1st sess., October 30–31, November 6, 7, 13–17, 1967. Most of the testimony concerns ABC, followed by many documents. The actual printed testimony from the Patman hearings only occupies 281 of the 1,164 pages in this volume. On the current status of "pure equity trusts" the reader is advised to consult IRS *Revenue Rulings* 75-257–75-260, published in 1975. Michael Harris, "Strange Tax Plan Under Scrutiny," *San Francisco Chronicle*, October 10, 1967.

53. *Patman Report, Sixth Installment*, 90th Cong., March 26, 1968, pp. iii–iv, 1–7.

54. *Ibid.*, p. 3.

55. *Ibid.*, pp. 3–20.

56. *Ibid.*, pp. 27–28. For the text of Fowler's testimony, see *Patman Report, Hearings*, pp. 220–34. At this time, before, and since, the IRS has been just as politically motivated in granting tax-exempt status to volunteer organizations. A number of church and secular organizations lost their tax-exempt status in the 1960s, or had to go to battle in

court to keep it, because of the conservative policies they espoused. This was while a host of liberal groups operating for opposite goals in the same policy areas kept the blessing of the IRS. See William F. Buckley, Jr., "Viewing Tax-Exempt Foundations," *Los Angeles Times*, December 30, 1964. The widely publicized use of the IRS by the Nixon administration to punish its enemies has made this problem quite obvious.

57. Weaver, *U.S. Philanthropic Foundations*, p. 183. The Patman reports published data on over 500 funds that were relevant to at least some of the issues raised. The current *Foundation Directory* lists data on more than 2,500.

58. "The American Way of Giving," *Newsweek*, March 14, 1966, pp. 87–92. Despite the absence of anything really embarrassing to the major foundations, this article does contain a few references to the alliance between them and the executive branch.

59. "Foundation Attack Excessive," *Los Angeles Times*, June 18, 1969. The major foundations had already organized a study commission at a meeting of the Council on Foundations, vowing "to oppose any strong Federal efforts to narrow the kinds of programs foundations could fund. They were far more agreeable to 'fair' financial reforms." In other words, if they are allowed to do anything they want with "their" money, they might be willing to let the public know about it. Most predictable was the usual disclaimer of bias. They said the new commission would be "a truly national group, as objective and independent as anyone can make it," no one on it "encumbered or affiliated in any way with foundations." "Role of Foundations Faces Major Study by Panel," *New York Times*, April 13, 1969. Two of the new commission's fifteen members were Harvard Law School professor Paul A. Freund and then–University of Chicago President Edward Levi, later President Ford's attorney-general. Their ability not to be "encumbered" is interesting in the light of a statement by one college president in the *Newsweek* article cited in note 58 above concerning the Ford Foundation's college-matching-grant manager, "there are a lot of us who would run down Fifth Avenue naked if it would help us get one of his grants."

60. John W. Gardner, "Foundation Crackdown: Where Would It Stop?" *Los Angeles Times*, June 15, 1969. In this article Gardner, perhaps hastily, confuses the Cox and Reece committee investigations of foundations with investigations by Sen. Joseph McCarthy of other matters. It may have been just for emotional appeal.

61. *Ibid.*

62. *Annual Report* (New York: Ford Foundation, 1969), pp. 5, 23, 27, 30, 91, 97, 109, 111.

63. Despite the recently intensified campaign to discredit all things anti-Communist in America, the facts will not go away and are still available. I have listed a variety of good sources elsewhere. See McIlhenny, *A.C.L.U.* p. 237, fn. 7, and more specifically on the McCarthy years, pp. 148–50. The evidence uncovered concerning Communist infiltration in the U.S. government until 1954 was best summarized in James Burnham, *The Web of Subversion, Underground Networks in the U.S. Government* (Boston: Western Islands, 1965 reprint of 1954 edition). On the Communists' United Front see also *Dies Committee Report*.

64. U.S. Congress, Senate, Internal Security Subcommittee, *Institute of Pacific Relations, Report*, 82nd Cong., 2nd sess. (Washington: G.P.O. 1952), pp. 223–25, hereinafter, the *IPR Report*. As with so many vital investigations of this period, copies of the hearings and report are difficult to locate. Useful summaries are in a number of books, including Anthony Kubek, *How the Far East Was Lost, American Policy and the Creation of Communist China, 1941–1949* (Chicago: Henry Regnery, 1963), especially pp. 344–62;

and Alan Stang, *The Actor, The True Story of John Foster Dulles* (Boston: Western Islands, 1968), pp. 148–59.

65. *IPR Report*, pp. 3–4. A number of the corporations were contributing because their executives were active in the group. International General Electric's Gerard Swope served as American IPR chairman. His ideological position was obvious from the corporate-state proposals he prepared for the New Deal. See Antony C. Sutton, *Wall Street and F.D.R.* (New Rochelle, New York: Arlington House, 1975), pp. 178–85 in particular.

66. By far the most dedicated one was the subject of Joseph Keeley, *The China Lobby Man: Alfred Kohlberg* (New Rochelle, New York: Arlington House, 1969). It was Kohlberg who, at terrific expense to himself, not only tried to alert the foundations which were funding the IPR but succeeded in bringing about the IPR investigation by the Senate Internal Security Subcommittee.

67. *IPR Report*, pp. 71–72. A good journalistic summary is: Frederick Woltman, *The Strange Case of Amerasia* (New York: World-Telegram Corporation, 1950), pamphlet reprint of stories originally appearing in the Scripps-Howard newspapers. See also Stang, *The Actor*, p. 151.

68. U.S. Congress, House, *Select Committee to Investigate Tax-Exempt Foundations and Comparable Organizations*, Hearings, 82nd Cong., 2nd sess. (Washington: G.P.O., 1953), p. 1. Hereinafter *Cox Hearings*. Press treatment was initially objective and favorable. See George E. Sokolsky, "Foundations," *Los Angeles Herald Express*, August 22, 1952, noting Cox's demonstrated abilities in an earlier investigation of the FCC in which FDR suppressed evidence being sought; "Begin Hearings Today in Probe of Foundations," *Chicago Tribune*, November 17, 1952; and John D. Morris, "House Opens Study on Tax-Free Funds—Investigation of Foundations Gives Indications of Being Sympathetic, Not Hostile," *New York Times*, November 19, 1952. The investigation was voted by the House on April 4, but funding was not appropriated until July 2, and then only \$75,000 of the \$100,000 that was requested on May 8. See "Vote to Probe Red Influence in Foundations—Rep. Cox Heads Group of Seven in House," *Chicago Tribune*, April 5, 1952; Wormser, *Foundations*, pp. 328–30.

69. Andrews, *Patman and Foundations*, pp. 2–3; and Weaver, *U.S. Philanthropic Foundations*, pp. 172–74, wherein Weaver relies almost exclusively upon the statistical compilations of others without considering the consequences of the grants his tabulations report. He also somehow overlooked the fact that it was the Senate Internal Security Subcommittee, and not two sources he mentions, that provided the information on the IPR which occupied so much of the attention during the questioning. For Andrews's testimony as a staff member of the Russell Sage Foundation, see *Cox Hearings*, pp. 19–53; and John Fisher, "Foundation Aid Talks Against Control by U.S.," *Chicago Tribune*, November 19, 1952. In *Cox Hearings*, pp. 383–403. Sage Foundation General Director Donald Young also appeared and discussed the matter of staff member Mary Van Kleeck, who worked for the foundation between 1911 and 1948, earning a total of \$238,000 in those years. When Cox Committee counsel Harold M. Keele pointed out that she had been cited as being affiliated with about sixty Communist fronts, Young replied that in the later years he did hear "her gossip, idle chatter, and so on. It was quite commonly said that she was to the left of center in her thinking, so that in that sense I have long had some knowledge of the fact that there was a general opinion that Miss

Van Kleeck was to left of center in her thinking. I frankly did not pay much attention to it" (p. 402). See also John Fisher, "Sage Fund Head Says Ex-Aid Was in 60 Red Fronts," *Chicago Tribune*, December 4, 1952.

70. *Cox Hearings*, pp. 689–704. Malkin did apparently confuse William C. Whitney Foundation President Michael Straight, who also testified, with a Mr. Robert (or Michael) Strong in his remarks, see pp. 700, 782–83. On Malkin, see Malkin, *Return to My Father's House*, *passim*.

71. *Cox Hearings*, pp. 715–27.

72. *Dies Committee Report*, vol. 2, pp. 1550–53.

73. *Ibid.*, vol. 1, pp. 384–85; vol. 2, p. 1579 on the Sound View Foundation. McIlhenny, *A.C.L.U.*, pp. 127–28.

74. *Cox Hearings*, pp. 784–85. Foreman's earlier affiliations are given in *Dies Committee Report*, vol. 1, p. 263, as secretary of the National Citizens Political Action Committee, the hub of the Communists' United Front; and vol. 2, pp. 1580–99, as being affiliated with a major Communist front, the Southern Conference for Human Welfare. It is significant that Malkin, Budenz, and two other former Communists, Igor Bogolepov and Manning Johnson, all testified under oath while the representatives of the foundation world were given the courtesy of not doing so. Wormser, *Foundations*, p. 331. Besides Clark Foreman, a number of other individuals with Communist-front records received gifts from the Julius Rosenwald Fund before it had paid out all of its \$35 million in assets after the war. These included Langston Hughes (author of the infamous poem, "Goodbye Christ"), W. E. B. DuBois, Claude McKay, James Dombrowski, Ira D. A. Reid, Lillian Smith, Shirley Graham, Pearl Primus, Horace Cayton, John P. Davis, as well as the Southern Conference for Human Welfare.

Communists and fellow travellers who benefitted from the generosity of the John Simon Guggenheim Memorial Foundation were outstanding composer Aaron Copland, author Steven Vincent Benet, Nathaniel Pepper, Leonie Adams, Margaret Schlauch, Owen Lattimore, Emjo Basshe, Genevieve Taggard, Louis Adamic, Peggy Bacon, Douglas S. Moore, Isidor Schneider, Alvah Bessie, Kenneth Fearing, William Gropper, Adolph Dehn, Marc Blitzstein, Earl Robinson, Henrietta Buckmaster, Bernard Reiss, Alex North, Langston Hughes, Newton Arvin, Carleton Beals, Albert Bein, Kenneth Burke, Jack Conroy, Angna Enters, Hallie Flanagan, Mordecai Gorelik, Albert Halper, Josephine Herbst, Granville Hicks, Maurice Hindus, Rolfe Humphries, Joe Jones, Otto Kleinberg, Carey McWilliams, Lewis Mumford, Alexander North, Nathaniel Pfeffer, Harry Slockover, Maxwell S. Stewart, Tom Tippet, Charles R. Walker, Richard Wright (who, like Granville Hicks, did leave the Communist Party and opposed it, but not before the funding was completed), and William E. Zeuch. The Guggenheim Memorial Foundation had on its standing advisory board at this time Communist-fronters Arthur Compton, Howard Mumford Jones, and Carl Zigrosser. Guggenheim Foundation secretary Henry Allen Moe discussed some of these grants before the Cox Committee, see *Cox Hearings*, pp. 601–21, which include discussion of assistance to the IPR's John K. Fairbank and Thomas I. Emerson, an extensive summary of Emerson's Communist-front record, and Mr. Moe's remark: "As to mistakes, for the purposes of your committee's investigation, there have been mistakes too. Of course, the most grievous mistake of all was a grant to Alvah C. Bessie, who later on, more than a dozen years later on, was cited by the House of Representatives for contempt of Congress, was tried, was found guilty,

was sentenced and served time for contempt. We have no pride in that record. There are others." This quote appears on p. 605. See also William Fulton, "Reds Get Cash In Fund Set Up By Guggenheim," *Chicago Tribune*, October 20, 1951; and William Fulton, "Let's Look At Our Foundations," *American Legion Magazine*, August 1952, article reprint.

The William C. Whitney Foundation is still another story. Although its president, *New Republic* publisher Michael Straight, was not a Communist as Maurice Mallin had mistakenly charged, he did have a Communist-front record, as did members of the board of directors Beatrice S. Dolivet and Max Lerner and advisory board member Edouard C. Lindeman. Communist fronts receiving Whitney funds were Frontier Films, Highlander Folk School (Straight considered the school to be in "opposition to the Communist Party"), the American-Russian Institute, the League for Mutual Aid, the American Veterans Committee, the Southern Conference for Human Welfare (which became the equally Communist-controlled Southern Conference Educational Fund) under its president, identified Communist Clark Foreman, and the Institute of Pacific Relations. On p. 426 of the *Cox Hearings*, Straight is on record as saying that the IPR "is a world-wide organization which in my opinion is still doing a useful and unique work in the field of research and education." This was after the IPR investigation had concluded. Straight's statement is in *Cox Hearings*, pp. 411-36.

Chicago publishing magnate Marshall Field also appeared (*Cox Hearings*, pp. 436-52) and defended contributions made by his Field Foundation to a number of Communist fronts including The Open Road, Inc., the People's Institute of Applied Religion, the American IPR, and the Southern Conference for Human Welfare. (Field did not know much about the Communist status of the Southern Conference and had neglected to list support for it in his written response to the Cox Committee: "I am sorry we missed out on listing them there. It was just an oversight.") Dr. Channing Tobias, a trustee of the Field Foundation, had a record of affiliations with alleged Communist-fronts, but in spite of this, Field told the Cox Committee (*Cox Hearings*, p. 445): "Well, I would just be so sure, knowing him, that his intentions were good; I just couldn't believe anything else without very strong proof, frankly." Another Communist-fronter with the foundation in whom Field expressed similar confidence was Justine Wise Polier. Field's analysis of her was quite personal (*Cox Hearings*, p. 447). After praising her talents as a judge, he said: "Furthermore, I have dined at her house and she had dined at mine, and I would never have had the slightest—I wouldn't have the slightest—hesitation in saying that she has never by an intimation shown any communistic leanings." Field's inability to see such leanings in such a person may have been related to his own association with these Communist fronts: the American Committee for Yugoslav Relief, the American-Slav Congress, and the National Council of American-Soviet Friendship (*Cox Hearings*, p. 446).

The Twentieth Century Fund, founded by Boston department store executive Edward A. Filene in 1919 (it called itself the Cooperative League until 1922), was a working foundation which also had prominent leftists with Communist affiliations among its trustees and officers. These included Adolph A. Berle, Jr., Bruce Bliven, Percy S. Brown, Robert S. Lynd, James G. McDonald, and Evans Clark. One employee who assisted in the preparation of special reports was Communist-fronter Russell Nixon. A major source for citations on all the above individuals and organizations is the *Dies Committee Report*.

75. *Cox Hearings*, pp. 569-70, 659, testimony of Carnegie Endowment Honorary Trustee John W. Davis and Alfred Kohlberg. See Stang, *The Actor*, pp. 163-65. The

story of Alger Hiss and his role as a Soviet agent is given in, among others, Burnham, *Web of Subversion*, Ralph de Toledano and Victor Lasky, *Seeds of Treason*, *The True Story of the Hiss-Chambers Tragedy* (Boston: Western Islands, 1965 reprint of 1950 edition); and Whittaker Chambers, *Witness* (New York: Random House), 1952. With the fall of Richard Nixon in 1974 there appeared ever more blatant attempts to glorify Hiss as a victim of Nixon, although Nixon, who received so much of the credit, played a relatively minor, cautious role in the exposure of Hiss. These media efforts have benefitted Hiss in many ways, but they have failed to erase the clear evidence that he was a Communist spy and a perjurer. The critical role Hiss played for the Soviets in the creation of the United Nations is given in G. Edward Griffin, *Fearful Master*, pp. 87-93 in particular.

76. *Cox Hearings*, pp. 658-61. Also Stang, *The Actor*, pp. 165-70.

77. Stang, *The Actor*, p. 172, including reference to *Annual Report* (New York: Carnegie Endowment for International Peace, 1949), p.2. See *Cox Hearings*, pp. 572-600, for the testimony of Joseph E. Johnson, Carnegie Endowment president, concerning grants to a number of individuals, primarily academics, with Communist affiliations, in addition to the matters of Hiss and the IPR. The recipients included Maxwell and Marguerite Stewart, Frederick L. Schuman, Lester Granger, Max Lerner, Mordecai Ezekiel, Vera M. Dean, Otto Nathan, Friedrich Foerster, William C. Johnstone, Vilhjalmur Stefansson, Edouard Lindeman, W. G. Rice, Jr., and Ralph Barton Perry.

78. Burnham, *Web of Subversion*, pp. 122-24; "Hull's Ex-Aid Dies in Plunge—Tied to Spies," *New York Daily News*, December 21, 1948; and Fulton, "Let's Look at Our Foundations."

79. *Cox Hearings*, pp. 323-69 for Dollard's testimony, pp. 369-82 for that of corporation trustees Chairman Russell C. Leffingwell and Devereux C. Josephs.

80. *Dies Committee Report*, vol. 1, pp. 546, 695; vol. 2, pp. 1052, 1304, 1463-66, 1485, 1620; vol. 3, pp. 1681, 1768.

81. *Ibid.*, pp. 461-71, on this and related agencies promoting the Soviet Union.

82. *Ibid.*, vol. 3, p. 1796, for index references to Adamic's many affiliations.

83. *Ibid.*, vol. 1, pp. 341, 409, 473, 619-21, 759, 771; vol. 2, pp. 1356, 1601; vol. 3, pp. 1650, 1772. Before his death in 1963 DuBois had ninety-six Communist-front affiliations, had received the Lenin Peace Prize in 1959, and had finally announced his membership in the Communist Party in 1961. See Stang, *It's Very Simple*, p. 136.

84. A good summary of Lattimore's record of service to the Soviets is John T. Flynn, *The Lattimore Story* (New York: Devin-Adair, 1953). Also useful on many matters related to the IPR crusade is John T. Flynn, *While You Slept—Our Tragedy in Asia and Who Made It* (Boston: Western Islands, 1965 reprint of 1951 edition). Lattimore's own testimony appears in *IPR, Hearings, Part 10*, pp. 3277-679.

85. A summary of the Communist affiliations of IPR personnel, including Fairbank, Lattimore, Bisson, Thorner, and Han-Seng, is *IPR Report*, pp. 151-59.

86. *Ibid.*, *passim*.

87. *Cox Hearings*, pp. 360-62.

88. *Ibid.*, p. 362.

89. *Ibid.*, p. 359.

90. Gunnar Myrdal et al., *An American Dilemma* (New York: Harper and Brothers, 1944). Although the Carnegie Corporation has sought to disassociate itself from the views expressed in this book, it is significant that it contains references to "a fetishistic cult of the Constitution," the formation of which is termed "nearly a plot against the

common people," and which has been used "to protect business corporations against public control." For these and others, see pp. 7-21.

91. *Cox Hearings*, p. 363.

92. *Ibid.*, pp. 365-66.

93. Fulton, "Let's Look at Our Foundations."

94. Frank Hughes, "Red Gospel Advanced By Fund Grants, Exempt Trusts Pay Writers," *Chicago Tribune*, November 7, 1948. A summary of this and other foundation grants is in Frank Hughes, *Prejudice and the Press, A Restatement of the Principle of Freedom of the Press with Specific Reference to the Hutchins-Luce Commission* (New York: Devin-Adair, 1950), pp. 285-323, and pp. 623-28 on Murra and other matters at the University of Chicago.

95. Hughes, *Prejudice and the Press*, pp. 304-05; "Rockefeller Fund Accused of Red Aid," *New York Times*, November 26, 1952; William Fulton, "Original Aims of Rockefeller Fund Distorted," *Chicago Tribune*, October 17, 1951. For the Eisler investigations see U.S. Congress, Senate, Committee on Government Operations, *Congressional Investigations of Communism and Subversive Activities, Summary-Index, 1918 to 1956*, 84th Cong., 2nd sess. (Washington: G.P.O., 1956), pp. 202-5. The Eisler case figures prominently in Louis Francis Budenz, *Men Without Faces, The Communist Conspiracy in the U.S.A.* (New York: Harper and Brothers, 1950), pp. 222, 241; and Robert E. Stripling and Bob Considine, *The Red Plot Against America* (Drexel Hill, Pennsylvania: Bell Publishing Company, 1949), pp. 58-69. After the Justice Department issued deportation orders, Eisler and his wife were permitted to leave the United States voluntarily in 1948 on the promise that they would never return.

96. *Cox Hearings*, pp. 701-2.

97. *Ibid.*, p. 288.

98. *Ibid.*, p. 532.

99. *Ibid.*

100. *Ibid.*, pp. 548-49.

101. *Ibid.*, pp. 511-18. Other academics with Communist affiliations who were part of the Cornell University Russian Institute program were Ernest J. Simmons, Samuel H. Cross, Albert Rhys Williams, Henry E. Sigerist, Ales Hrdlicka, Henry Wadsworth Longfellow Dana, Henry H. Ware, Harriet Moore, Frederick L. Schuman, Nicholas Slonimsky, Robert S. Lynd, John Somerville, and Joshua Kunitz (who replaced Kazakevich after the school came under fire). See Frederick Woltman, "Cornell Troops Instructed by Red Apologist," *New York World-Telegram*, October 19, 1943; "Cornell Warns Army Tutors on Propaganda," October 20, 1943; "Cornell Military Course Staff Packed with Red Apologists," October 21, 1943; "Cornell Defense of Kazakevich," November 27, 1943; "Red Ousted but Cornell Gets Another," December 27, 1943; "Cornell to Retain Red as Teacher for Army," December 29, 1943; Charles T. Lucey, "Cornell Responsible for Kunitz," December 28, 1943. The Reds were training American soldiers.

102. *Cox Hearings*, pp. 534-40, p. 540 for quote.

103. *Ibid.*, pp. 540-48, p. 540 for quote.

104. *Ibid.*, pp. 540-48.

105. *Ibid.*, p. 521.

106. U.S. Congress, Senate, Internal Security Subcommittee, *The Human Cost of Com-*

munist in China, 92nd Cong., 1st sess. (Washington: G.P.O., 1971), p. 10.

107. *Cox Hearings*, pp. 218-27 for statement of Henry Ford II; pp. 227-62 for Hoffman; pp. 195-218 for Gaither; and pp. 262-98 for Hutchins.

108. *Ibid.*, p. 292. One survey of the leftist influences there was Nelson E. Hewitt, *How "Red" Is The University of Chicago?—A Presentation Of Facts Concerning Subversive Activities On The Campus Of And Among The Students And Faculty Of The University Of Chicago* (Chicago: Published by the author, no date). This is a detailed review of leftist activities on that campus under Hutchins's administration, largely based on official school publications.

109. *Cox Hearings*, pp. 294-95.

110. *Ibid.*, pp. 295-96. State of Illinois, Seditious Activities Investigation Commission, *Report Submitted Pursuant to the Provisions of An Act of the 65th General Assembly, 1949*, p. 421, referring to an event of 1948:

On the evening of March 31, a meeting was held in Mandel Hall and the topic of discussion was The World Constitution as discussed by Mr. G. A. Borgese and Mortimer J. Adler and Harris J. Wofford, Jr. That project was sponsored by President Hutchins of the University of Chicago. The World Constitution as is framed by the Commission appointed by President Hutchins and on which Mr. Borgese and Adler were members is rather complicated and as they set forth in their discussions, they would be unable to satisfactorily explain it in detail. However, they did set forth a fact that under a World Constitution, the World Government would be so constructed as to provide for direct taxation on each and every individual; it would be in direct control of and maintain the only military force of consequence as the only military force permitted each of the individual states or units would be only sufficient to maintain police power; immigration [sic] also would be handled by the various States or units, strictly on a quota and no discrimination what-so-ever as to what other units or States the immigrants came from; it was admitted by M. J. Adler that their World Constitution would lean more toward the socialistic form of government than the present form of government of these United States.

CHAPTER THREE

1. On June 22 and 25, 1976, I interviewed Norman Dodd at his home in central Virginia, not far from Charlottesville. The interviews were recorded. Due to the lengthy portions of the interview that would be incorporated into this chapter, I transcribed the interview as accurately as possible onto thirty-one single-spaced typed pages. I will be referring to this as "Dodd Interview Transcript."

2. *Ibid.*

3. *Ibid.*

4. *Ibid.*

5. *Ibid.* The quote is from U.S. Congress, House, *Special Committee to Investigate Tax-Exempt Foundations and Comparable Organizations, Hearings*, 83rd Cong., 2nd sess., part 1 (Washington: G.P.O., 1954), p. 1. Hereinafter, *Reece Committee Hearings*.

6. These facts were reported in, among other places, "Tax-Exempt Foundations: A New Controversy," *U.S. News & World Report*, December 31, 1954, pp. 84-85.

7. Wormser, *Foundations*, pp. 335–83, on this and other matters concerning the hearings. The reader will note differences between Dodd's statements and Wormser's account in the book.

8. "Dodd Interview Transcript."

9. *Ibid.*, pp. 8–9.

10. *Ibid.*, pp. 9–11, quote on p. 11. See also Wormser, *Foundations*, pp. 347–49. Some might have interpreted the White House interference as political revenge on the part of Eisenhower because Reece was a major supporter of Taft in 1952. See B. Carroll Reece, "The True Facts of the Texas Republican Convention," (Washington: Taft Committee, no date, pamphlet). Dwight D. Eisenhower, *Mandate for Change 1953–1956, The White House Years* (New York: New American Library, Signet edition, 1965), p. 63–64, where Reece is described as a "rabid Taft supporter"; pp. 156 and 245 on Persons's role in the administration.

11. "Dodd Interview Transcript."

12. Hays stipulated that his support for the funding was on the condition that Dr. Ettinger and Mr. DeHuszar would leave the staff. Wormser (*Foundations*, pp. 344–46) claims that Ettinger was a very valuable member of the team and his termination was a great loss. Hays objected to Ettinger, oddly enough, because he was a socialist before 1925. This was incredible since Ettinger was on the record as an advocate of free enterprise after that date. Dodd, on the other hand, suspected Ettinger because he had dropped the name of his associate, Dr. Alexander Sachs, a New York economist who was close to Albert Einstein. In addition to Einstein's alleged Communist affiliations, Dodd remembered that Sachs had visited his New York home before World War II for a dinner party. During the evening, Dodd presented his conservative philosophy and Sachs rose and left, telling Dodd that he was perhaps the only man in America Dodd could meet who fully understood the significance of what Dodd was talking about. He said, "My whole life is dedicated to the proposition that this not see the light of day. If you do not allow me to leave, I cannot be held responsible for what happens to you" ("Dodd Interview Transcript"). On Sachs, see Medford Evans, *The Secret War for the A-Bomb* (Chicago: Henry Regnery, 1953), pp. 115, 132, 271, 284–85.

13. "Dodd Interview Transcript."

14. *Ibid.*

15. *Ibid.*

16. *Ibid.*

17. *Ibid.*

18. *Ibid.*

19. Wormser, *Foundations*, p. 335. *Reece Committee Hearings*, pp. 6–7.

20. "Dodd Interview Transcript."

21. *Ibid.*

22. *Ibid.* On the Fabian socialist slant of the American Historical Association and Beard's early career, see Zygmund Dobbs, *The Great Deceit, Social Pseudo-Sciences* (West Sayville, New York: Veritas Foundation, 1964), pp. 65–79. On Beard's exposure of foundation meddling, see Harry Elmer Barnes, *Selected Revisionist Pamphlets* (New York: Arno Press & the New York Times, 1972), pp. 8–9 on "The Struggle Against the Historical Blackout."

23. Philip C. Jessup, *Elihu Root*, 2 vols., (New York: Dodd, Mead, 1938), vol. II, pp. 488–89.

24. *Cox Committee Hearings*, p. 573, testimony of Joseph C. Johnson.

25. Charles Seymour, ed., *The Intimate Papers of Colonel House*, 4 vols. (New York: Houghton Mifflin, 1928), vol. 4, pp. 43–47.

26. *Ibid.*, pp. 47–48.

27. C. Harley Gratten, "The Historians Cut Loose," *American Mercury* (August, 1927), as reprinted in Harry Elmer Barnes, *In Quest of Truth and Justice, De-Bunking the War Guilt Myth* (Chicago: National Historical Society, 1928; reprinted, New York: Arno Press & the New York Times, 1972), pp. 142–64.

28. *Cox Committee Hearings*, pp. 195–97, testimony of Rowan Gaither. "Dodd Interview Transcript."

29. "Dodd Interview Transcript." To authenticate this conversation, I have compared Dodd's memory of it in 1976 with his description of it years earlier in a letter he wrote to Howard E. Kershner on December 29, 1962, a copy of which is in my possession. Though I am citing the "Transcript," where there are any slight discrepancies between the two accounts, I have used the 1962 version.

30. "Dodd Interview Transcript."

31. *Ibid.*

32. *Ibid.*

33. *Ibid.*

34. *Ibid.* An indication of the leftist bias of the ADL is given in Nathaniel Weyl, *The Jew in American Politics* (New Rochelle, New York: Arlington House, 1968), pp. 142–58.

35. "Dodd Interview Transcript."

36. See note 41 below.

37. "Dodd Interview Transcript."

38. *Ibid.*

39. *Ibid.*

40. *Ibid.*

41. *Reece Committee Hearings, Part I*, pp. 6–21, 45–51, for the *Dodd Report*, as it is referred to in these notes. This was reprinted, without Hays's interruptions during Dodd's testimony, as *The Dodd Report to the Reece Committee on Foundations* (New Canaan, Connecticut: The Long House, 1954). Page references here are to the Long House reprint.

42. *Ibid.*, pp. 3–6.

43. Thomas McNiece, *Economics and the Public Interest*, in *Reece Committee Hearings, Part I*, pp. 627–65, providing indices of government statistics that demonstrated the steady growth of government expense, size, and power.

44. *Dodd Report*, p. 8.

45. *Ibid.*, p. 5.

46. Examples of these misrepresentations abound in Dwight Macdonald, *The Ford Foundation, The Men and the Millions* (New York: Reynal & Company, 1956), pp. 31–35, in which this glib pundit characterizes the hearings as "the animadversions of obscure crackpots and the scarcely more lucid testimony of the Reece Committee's staff," and claims the committee's report was full of "irrelevance, insinuation, and long-range deduction." Just what in particular he is referring to is never specified. Warren Weaver, *U.S. Philanthropic Foundations*, (New York: Harper & Row, 1967), pp. 174–79, perhaps predictably, ignores Dodd's qualifying remarks, confuses the committee's report with its hearings when referring to the turmoil of "harsh opinions and angry dissents," and whitewashes the behavior of Hays. Weaver's predisposition to reject the issues raised by

Dodd is clear from his description of the press reaction and the effects of the investigation. Once again, none of the evidence from the hearings or report is discussed. In Andrews, *Patman and Foundations*, pp. 3-4, the fact again is obscured that the foundations requested the committee to provide charges to which they could respond, as well as to Dodd's qualifying remarks. Andrews covers for Hays by saying that the foundations "were permitted to reply only through written statements, which were long afterwards published as an Appendix to the main hearings." What he is referring to here is *Reece Committee Hearings, Part II*, which carries a record entry date of August 10, 1954, which was just slightly more than a month after the foundations were asked to submit their statements on July 2. The foundations' answers were published before the majority report, which was released December 16, 1954, and contained analysis of the submitted statements. In Rudy, *The Foundations*, pp. 7-8, Rudy employed the argument by intimidation method by quoting an opponent's charge and omitting his evidence so that listeners will react, "You don't believe that do you?" In his haste, he also picked up the error that the foundation replies were published "long afterwards" as an appendix "to the majority report." Of course, they were published in the second volume of the hearings, not the report. The only valid criticism of the Reece Committee to appear at the time had nothing to do with foundation ideology. See Richard Eells, *Corporation Giving in a Free Society* (New York: Harper & Row, 1956), pp. 63-71, reprinted in Thomas C. Reeves, ed., *Foundations Under Fire* (Ithaca: Cornell University Press, 1970), pp. 42-48. See especially p. 43: "The Reece committee hearings, though conducted under what many regard as conservative auspices, introduced a startling case for a radical departure from free enterprise principles. The view was expressed in these hearings that a philanthropic contribution somehow enters the public domain and thus loses its character as private property. . . ." In U.S. Congress, House, *Special Committee to Investigate Tax-Exempt Foundations and Comparable Organizations, Report*, 83rd Cong. 2nd sess. (Washington: G.P.O., December 16, 1954). This volume, referred to as the *Reece Committee Report*, contains both the majority and minority reports. Some support for Eells's statement is found in this report, but Reece made clear his rejection of the concept of state authority over the expenditure of tax-exempt money in his concluding observations. See *Reece Committee Report*, pp. 207-26. These remarks are important both for their responses to attacks on the committee from the press and the foundations and the positive proposals and recommendations made for the future. Page references are to the published report.

47. *Dodd Report*, p. 10.

48. *Ibid.*, p. 11.

49. *Ibid.*, p. 12.

50. Weaver, *U.S. Philanthropic Foundations*, p. 176.

51. *Reece Committee Hearings, Part I*, pp. 794-865 for Herring's testimony. All page references are to the published hearings.

52. A fuller explanation of Dodd's position might have prevented some of these objections, or at least anticipated them. But with Hays's determined attitude, a more complete presentation might not have been possible. The result was the impression left of a dichotomy between valid theoretical and factual truth.

53. *Reece Committee Hearings, Part I*, p. 797.

54. *Ibid.*, pp. 797-98.

55. *Ibid.*, p. 798.

56. *Ibid.*, pp. 798-99.

57. *Ibid.*, p. 800. Congressional committees are charged with an investigative responsibility which involves fact-finding, but what Herring carefully avoided was the basis for the existence of a legislative branch as a separate part of government in the first place. And as I try to indicate briefly elsewhere, the American constitutionalism which produced Congress and its committees was rooted in a philosophy opposite to that which Dodd criticized. See McIlhany, A.C.L.U., pp. 15-36, particularly p. 31 on John Locke, whom Herring tries to paint, on pp. 804-5 of the *Hearings, as the empiricist* inspiration for the Founding Fathers.

58. *Reece Committee Hearings, Part I*, pp. 800-801.

59. *Ibid.*, p. 858.

60. *Ibid.*, pp. 802-3. Oddly enough, Herring complained on these pages of the way in which the independence of social scientists had been sacrificed to the service of the state in Nazi Germany, Fascist Italy, and Communist Russia. This is strange, since in 1940 and 1941 he had positive things to say about totalitarians. See Pendleton Herring, *The Politics of Democracy* (New York: W. W. Norton, 1940), p. 40: "Democratic government is not a set of principles which must be consistently followed but rather a method for compromising differences and for freely expressing disagreement according to generally accepted rules of procedure. The forming of policy can await neither the crystallization of a popular will or agreement among economists upon what is sound. . . ." Pp. 97, 360: ". . . fascism has preached nonsense about race, but it also has offered recompense to despairing masses. . . . The true significance of any subject is found in its strengths rather than in its weaknesses. For example, the real importance of Nazism lies in its capacity for uniting and strengthening the German nation. We may deplore its methods, but its strength lies in its accomplishments rather than its abuses; and hence we must understand its positive qualities. . . ." Again, in Pendleton Herring, *The Impact of War* (New York: Farrar & Rinehart, 1941), p. 281:

Discipline, as authority imposed from above, becomes necessary when this obligation to conformity is overlooked by the individual. Democracy, as the highest form of social life, holds the highest expectations of each man's capacity to cooperate with his fellows. This is the *duty* of all those who would live in a free society. . . .

We can recognize the need of central controls and discipline without making these needs the central article of our faith. The point really is that a democracy to succeed must take for granted the social integration that a Hitler tries to impose. . . .

See also pp. 252, 275, and 279, as quoted in Stang, *The Actor*, pp. 138-41, for other remarks of interest to compare with p. 802 of the *Hearings*, on which Herring expresses his solidarity with "the concern for the individual fundamental to both Western civilization and its ancient heritage stemming back through the Renaissance to the Classic World and to Judaic-Christian concern with human dignity." But it was obvious that he knew what most of the committee members wanted to hear.

61. *Ibid.*, *Reece Committee Hearings, Part I*, p. 801. The "empiricist" researcher, by Herring's description, would not sanction a practice of approaching evidence under study with any assumptions about the nature of man and the reason for his actions. Marxism presupposes a version of determinism, namely economic determinism, among other things. But that is really all Herring could claim. On the other hand, a strict "empiricist" outlook would also preclude any assumptions about principles such as free will and resulting moral and spiritual concepts (which cannot be put under a microscope) that

lead men to accept theories of self-government. When men are observed to move about in various ways, and when, from a strict "empiricist" viewpoint, we cannot assume anything about their own ability to determine their actions, then some form of determinism becomes a plausible way to account for their actions. And because economic variables can be recorded quantitatively, "empiricist" researchers find Marxist explanations more reasonable than, let us say, astrology or racism. In this way a Marxist social science is the natural heir to what Dodd criticized. The reader may also consult George Novack, *Empiricism and Its Evolution, A Marxist View* (New York: Pathfinder Press, 1971).

62. See *Reece Committee Hearings, Part I*, pp. 796–97, for Herring's remark. Herring's reference to a Soviet propaganda organ which had an article attacking scientific research in America meant very little. We can also easily find deterministic explanations in Communist writings that virtually mirror the contents of contemporary sociology and history textbooks. See William Z. Foster, *Toward Soviet America* (Balboa Island, California: Elgin Publications, 1961 reprint of 1932 edition), pp. 321–22:

Capitalism blames crime upon the individual, instead of upon the bad social conditions which produce it. Hence its treatment of crime is essentially one of punishment. But the failure of its prisons, with their terrible sex-starvation, graft, over-crowding, idleness, stupid discipline, ferociously long sentences and general brutality, is overwhelmingly demonstrated by the rapidly mounting numbers of prisoners and the long list of terrible prison riots. Capitalist prisons are actually schools of crime. Even the standpat Wickersham committee had to condemn the atrocious American prison system as brutal, medieval and fruitless.

Socialist criminology, on the other hand, attacks the bad social conditions.

Foster became national chairman of the Communist Party, U.S.A., after his book appeared.

63. *Ibid.*, pp. 189–409 for Sargent's testimony on foundation support for Fabian socialism in the American educational circles. Although Sargent did manage to provide much valuable information to the committee, the reader who takes the time to review this testimony will soon detect how desperately Wayne Hays was trying to discredit the witness, change the subject, and terminate the hearings or move them into executive session.

64. Hays's frantic efforts to obscure Sargent's presentation led him into a reckless attack on Sister Mary Margaret McCarren, author of *Fabianism in the Political Life of Britain* (Chicago: Heritage Foundation, 1954). When Sargent referred to this scholarly study by the daughter of Sen. Pat McCarren, Hays replied, "Maybe we ought to subpoena the officials of the Catholic University and find out how high-type this is. I happen to know something about the background of the author of that book, how long it took her to get a degree, and so forth, and even that there was a little pressure used or she would not have it yet." See *Reece Committee Hearings, Part I*, p. 231, and *Part II*, pp. 945–47, for letters from the rector of Catholic University of America and the president of the Heritage Foundation which refuted the malicious falsehoods in Hays's slander. See also Westbrook Pegler, "Lawmaker's Insult to Nun," *Chicago American*, October 18, 1954; and "Bishop Defends Bay Nun Against Solon's Slur," *San Francisco Call-Bulletin*, December 8, 1954. Sister Mary Margaret's work was incorporated into Rose

L. Martin, *Fabian Freeway, High Road to Socialism in the U.S.A., 1884–1966* (Boston: Western Islands, 1966).

65. Washington state attorney Ken Earl's testimony about the Fabian Socialist League for Industrial Democracy and its tax-exempt status provoked Hays into discussions ranging from the longevity of the American Socialist Party to his boyhood depression days in the oilfields of Ohio. But Earl still managed to demonstrate from League for Industrial Democracy publications the leftist political character of this organization that was enjoying special tax-exempt status. *Reece Committee Hearings, Part I*, pp. 729–93.

66. "Dodd Interview Transcript."

67. *Reece Committee Hearings, Part I*, pp. 865–67.

68. "Dodd Interview Transcript." Compare this with Wormser's account of Hays's conduct and the close of the hearings: Wormser, *Foundations*, pp. 352–83.

69. "Dodd Interview Transcript."

70. Examples of press attacks on the Reece Committee calculated to protect and defend the foundations were Helen Hill Miller, "Investigating the Foundations," *The Reporter*, November 24, 1953; Benjamin Fine, "Education in Review, Some Facts About the Major Foundations Attacked in a House Committee Report," *New York Times*, May 16, 1954. This amounted to public relations on behalf of some of the foundations Dodd mentioned in his testimony. None of Dodd's qualifying remarks were quoted. Robert S. Ball, "Ford Foundation in Quiz Finds Democrat a Defender," *Detroit News*, May 28, 1954. This concerns Sargent's testimony on the Ford Foundation and Hays's response to it. The article rather typically quotes assertions made by Sargent, ignores the evidence he presented, and then entertains with Hays's provocative replies. "Big Brother Reece," *New Republic*, June 21, 1954. This brief article praised Hays for pulling some quotations out of context and trying to trick a member of the committee staff into comparing them with Communist or socialist writings. The quotes were from two papal encyclicals and the incident appears in full on pp. 604–7 of *Reece Committee Hearings, Part I*. Of course, Hays, by omitting the very antisocialist tone of other passages from the two church letters, proved only that *he* had quoted out of context and did not establish any instance in which any member of the staff or other witness had done so. This was not of interest to *New Republic* editor Michael Straight, president of the William C. Whitney Foundation, who may have still been uncomfortable from his appearance before the Cox Committee. Editorial, "The Foundations," *Chicago Daily News*, July 19, 1954; "Free Foundations!" *The Christian Century*, July 28, 1954, pp. 893–95. The purpose of this piece in perhaps the oldest left-wing Protestant publication in America was to defend the Carnegie Corporation. Its accuracy and literacy may be gauged from: "Chairman Carroll Reese [this misspelling appears throughout the article] of Tennessee abruptly canceled public hearings just when the defenders of the foundations were preparing to speak." Editorial, "Mr. Reece Now Suspects the Press," *Chicago Tribune*, September 12, 1954, reprinted from the *Hartford Courant*; editorial, "Reece Detects New Plot," *Chicago Tribune*, September 21, 1954, reprinted from the *Pittsburgh Post-Gazette*. By this time the editorial writers were not even bothering to mention Hays's name in connection with the close of the hearings. Sumner H. Slichter, "Undermining the Foundations," *The Atlantic Monthly*, September, 1954, pp. 50–54, a most peculiar, but perhaps the most ambitious, attack on Dodd's opening testimony by a prominent economist. Slichter also forgets about Hays and about Dodd's qualifying remarks, but he does review Dodd's major

points. His main concern seems to be avoiding any discussion of the evidence witnesses presented to support Dodd's positions while attempting to convey the impression that Dodd must be favoring some form of government thought control bureaucracy over the foundation and education worlds. In view of Dodd's opposition to the growth of government power, this argument is very weak indeed. Most remarkable of all is Slichter's statement that "Deduction can produce propositions to be tested, but it cannot produce proofs of the truth of any proposition." Perhaps he was not familiar with the classic syllogism "If all men are mortal, and Socrates is a man, then Socrates is mortal." Slichter's professional expertise was in the field of economics, not logic. Wayne L. Hays, "Facts Forum Fable, A Congressman's Expose," *The Nation*, October 23, 1954, pp. 362-64. In this article Hays attacked the conservative educational organization, Facts Forum, which was tax-exempt and supported by H. L. Hunt of Dallas. It is interesting that he chose the forum of a liberal periodical to broadcast his objections but did not present any evidence on Facts Forum or any other right-wing abuse of tax-exemption during the hearings or in his own minority report, in spite of the fact that the staff had provided him with requested information on Facts Forum (See Wormser, *Foundations*, p. 352). "Democrats Call GOP Attack on Big Foundations 'Barbaric'," *Daily Worker*, December 20, 1954. The editorial, "Vindictiveness at a New Low, Villifying Foundations," *Detroit Free Press*, December 21, 1954, is a classic smear, referring to the majority members of the committee as "dyed-in-the-wool reactionaries" and attacking the majority report without citing a single item of evidence from it. In the editorial, "Reece Report Attacks Tax-Free Foundations," *The Christian Century*, December 29, 1954, there is nothing new except that the magazine had learned to spell Reece's name. In "ADL Chief Blasts Foundations Probers' Report As 'Product of Kangaroo Court'," *Jewish Sentinel*, December 30, 1954, the ADL exposed its own hand in submitting a statement to the Reece Committee too late for inclusion into the record of the hearings and then complained that it had not been allowed to respond, just as Communist Clark Foreman tried to do to the Cox Committee.

Some more critical media coverage appears in the following extensions of remarks in the *Congressional Record*: Rep. George M. Rhodes, "Investigation?—What the Reece Committee Proved," July 20, 1954, quoted Roscoe Drummond in the *Washington Post* of that date; Rep. Wayne L. Hays, "University President Warns of 'Cultural Uneasiness' in Foundation Inquiry," August 4, 1954, quoted Father Reinert of the National Catholic Welfare Conference; Rep. Sidney R. Yates, "New York Times Article Praises the Honorable Wayne L. Hays, of Ohio," August 10, 1954; Rep. Wayne L. Hays, "Foundations Investigation Statement of Representative Wayne L. Hays"; "American Press Comments on Foundations Investigation Commends Position of Congressman Wayne L. Hays"; "Editorial Comments on Foundations Investigation," September 3, 1954 (the last two are lengthy lists of excerpts from many papers, which together well illustrate the lockstep scramble in which they were recruited to protect the foundations); Rep. Frank Thompson, Jr., "What's Behind the Attack on Foundations?—Parts I-III," June 30, 1955, quoting, among others, Harvard sociologist and socialist Daniel Bell, ACLU Executive Director Patrick Murphy Malin, and Ford's H. Rowan Gaither (saying things quite unlike what he told Norman Dodd).

Examples of more objective and favorable press coverage include Philip Warden, "Tells Cover-Up of Foundations' Aid to Commies, Reece Bares Omissions in Probe Report," *Chicago Tribune*, April 24, 1953; John Fisher, "Row Breaks Up Inquiry Into Foundations—2 Democrats Walk Out in Protest," *Chicago Tribune*, May 25, 1954;

"Claims Social Revolution a Fund Project," *Chicago Tribune*, June 4, 1954; "Governmental Influences of 'Funds' Bared, Study of Foundations by Experts Told," *Chicago Tribune*, June 10, 1954; "Foundation Probers Clash, Halt Hearing, Recess for Tempers to Cool Off," *Chicago Tribune*, June 18, 1954; C. M. Bertollette, "Warns Foundations Abet Socialism in the U.S., Exposure by Congress Seen of Vital Importance, But Obstacles Facing It Are Cited," *The Tablet*, June 5, 1954; Harold Lord Varney, "The Egg-Head Clutch on the Foundations," *American Mercury*, June 1954, reprint; "Attention, Citizens! Save the Reece Committee," National Economic Council Papers, July 1, 1954; John Fisher, "Reece Charges Smear Attack by N.Y. Papers," *Chicago Tribune*, August 24, 1954; Rep. B. Carroll Reece, "Special Committee on Tax-Exempt Foundations," *Congressional Record*, August 20, 1954; Ira E. Bennett, "What You Should Know About the Foundations," *National Republic*, August 1954; Westbrook Pegler, "Sabotage of Fund Probe," *Chicago American*, December 20, 1954; Walter Trohan, "Foundations Assailed in Probe Report, 'Grave Abuses' of Operation Hit," *Chicago Tribune*, December 20, 1954; "Reece Report," *Human Events*, December 22, 1954; "Strong Criticism of Foundations in House Report, Reece Committee Tells How Rep. Hays Caused End of Inquiry by Harassment, Newspapers Involved, Reason for 'Herald Tribune' Attacks on Committee Are Explained by Chairman," *The Tablet*, December 25, 1954; editorial, "Similarities With A Difference," *Chicago Tribune*, December 27, 1954; Rep. Carroll Reece, "Investigation Is Defended, Critics of Inquiry on Foundations Scored by Rep. Reece," *The Tablet*, January 8, 1955; Westbrook Pegler, "Odd Facets of Reece-Hays Feud," *Chicago American*, January 24, 1955, in which the caustic columnist compares Reece's war decorations to Hays's lack of a service record in light of Hays's statements about Reece's "cowardice"; Willis J. Ballinger, "Leftward Ho: The Report of the Reece Committee on Foundations," *Human Events*, February 26, 1955; "What About Tax-Free Foundations?" *News and Views*, February, 1955; Holmes Alexander, "Fulbright and Foundations," *Los Angeles Times*, March 14, 1955; Harold Lord Varney, "Are The Foundations Untouchable?" *The American Legion Magazine*, June, 1955; Rep. B. Carroll Reece, "Foundations Nerve Center for Fabian Activities," *American Progress*, April, 1955; Benjamin Wham, "The Reece Report on Foundations," *Chicago Bar Record*, September 1955; Rep. B. Carroll Reece, "To Socialism by Way of Tax-Exempt Foundations," speech reprinted in the Extension of Remarks in the *Congressional Record*, April 10, 1956; Norman Dodd, "Exposing the Foundations," *American Mercury*, September, 1956; Rep. B. Carroll Reece, "Tax Exempt Subversion," *American Mercury*, July, 1957; and Norman Dodd, "What Are We Going To Do About It?" *National Economic Letter*, February 15, 1958.

71. The statements filed by the foundations in response to testimony are *Reece Committee Hearings, Part II*, pp. 949-1182 primarily. To indicate the sort of replies the foundations prepared, one example is sufficient. Carnegie Corporation President Charles Dollard prepared a list of his own quotations from Gunnar Myrdal's *An American Dilemma*, financed by Carnegie at \$300,000, to counter those which had been introduced into record showing Myrdal's obvious hostility toward American constitutionalism. After reviewing the incriminating passages, the majority report commented, "Mr. Dollard in his statement filed as President of *The Carnegie Corporation* cited other quotations from *An American Dilemma* which are kinder in tone toward the American people. It is our opinion that the sections quoted by Mr. Dollard do not offset the unpleasant and prejudiced references we have quoted above." To the claim that the foundations were denied a hearing, it is noteworthy that statements from ten organizations and four

individuals were introduced into the record, making, with Herring's testimony, a total of 313 pages. See Wormser, *Foundations*, pp. 377-80:

The statements filed by foundations were printed in full, without deletion or alteration in any respect, just as they had been filed. They were, in the mass, extremely disappointing. They were characterized by an evasion of the specific issues raised in the testimony and a failure to face the detailed evidence. They were glib, self-adulatory, given to glittering generality, frequently abusive; in general, they maintained that the respective foundations were beyond and above any serious criticism.

By filing statements without being subjected to questioning on the stand, the foundations could, and certainly did, make many statements which would not have stood up under questioning. They avoided the danger of being confronted, in open hearing, with the necessity of attempting to explain acts and procedures which were extremely difficult to justify.

Nor did they lose the opportunity to have their case get to public notice. Their statements received the widest newspaper treatment, in many instances being printed in full in some of the press, particularly in *The New York Times*, which gave publicity to these statements far wider than would normally have been the case in the event of a mere reporting of testimony. The filing of the uncensored prepared statements, promptly delivered under the authority of the Committee to individual newspapers and to the press services, gave the complaining foundations the widest possible publicity for their "case."

Samples of this press coverage are "Deny Foundations Aid U.S. Foes, Probe Charges Answered by Carnegie Heads, 'Never Gave Dollar to Subversive' Groups," *Chicago Tribune*, July 12, 1954, reporting the reply of Carnegie's Charles Dollard; "Foundation Hits Ending of Public Hearing," *The Wanderer*, July 15, 1954, on Carnegie and Dollard; "Tax Free Group Calls House Probe Unfair, Dangerous Precedent, Says League Boss," *Chicago Tribune*, July 16, 1954, on the statement by Harry W. Laidler of the League for Industrial Democracy, who adopted the posture of Hays during Ken Earl's testimony, claiming that the League for Industrial Democracy was not a foundation and thus was not related to the investigation. Reece had answered this in the hearings by noting the committee's titled responsibility to investigate the political propaganda of tax-exempt foundations and comparable organizations; "Foundations Protest Closing of House Group's Hearings," *Publishers' Weekly*, July 17, 1954; "House Inquiry Assailed by Ford Foundation, One-Sided Probe Is Charged," *Chicago Tribune*, July 25, 1954, which quoted Rowan Gaither's reply to the charge of conspiracy by foundations: "This theory is the sheerest nonsense . . . an affront to the common sense of the American people, who have presumably been the objects of the conspiracy and whose major decisions it is said to have dictated"; "GOP Report In House Rips Foundations, Targets Call Charges Unfair and Prejudiced," and "All Biased, Retorts Ford Fund, Others Lash Back At Reece Probers," *Detroit Free Press*, December 20, 1954; and "Reece Report Targets Reply 'Biased, Unfair,' 3 Foundation Heads Rip Probers' Charges," *Chicago Tribune*, December 20, 1954.

Although the foundations could not honestly claim they had been denied a hearing, there was much the Reece Committee had to present which never saw the light of day. In addition to the evidence Dodd personally uncovered, there were reports prepared on such tax-exempt organizational activities as the Cooperative League of America and the International Cooperative Alliance, which were officially using the contributions of American farmers "to substitute for the profit-making system a cooperative system" of

socialism. See Pearson L. Linn, *Brief on Co-op Propaganda and Political Activity, prepared for the Special Committee to Investigate Tax-Exempt Foundations* (Bucyrus, Ohio: Unpublished, printed by the author, no date).

Speeches by witnesses before the Reece Committee did not get picked up by the *New York Times* but were left for small audiences. Aaron M. Sargent, "Looking at The Foundations," address before the meeting of the San Mateo, California, County Council of Republican Women, transcript, February 8, 1955; and "The State of Our Union," address before the annual meeting of the National Society, Sons of the American Revolution, Chicago, Illinois, transcript, May 24, 1955; and A. H. Hobbs, "Can We Afford Foundations?" *The Freeman*, April 1955.

72. "Additional Views of Angier L. Goodwin," Received by the Reece Committee on December 18, 1954, two days after the filing of the majority report. It was printed as House Report No. 2681, Union Calendar No. 926. Goodwin simply quoted conclusions from the brief Cox Committee report and stated, incredibly, that he had seen nothing in the Reece Committee investigation which warranted his abandoning those conclusions and adopting the far more critical appraisals of the Reece majority report. That Goodwin may have put himself in a position to be pressured into this was suggested near the end of Herring's testimony, as Hays was getting increasingly abusive. Hays replied to Goodwin: "I heard you say you are getting tired. Do you know what I am getting tired of? I am tired of you taking one position in public with pious speeches and then running to me in secret and saying, 'You know whose side my sympathies are on.' Why don't you act like a man?" See *Reece Committee Hearings, Part 1*, p. 863.

73. The minority report appears in *Reece Committee Report*, pp. 417-32. Page references are to the original version. It is full of rhetorical blasts at the majority of the committee, its report, the staff, and most of the witnesses. Hays, of course, avoided any reference to his own conduct, while blaming the closing of the hearings on Reece. He quoted extensively from Herring's testimony and included his own attempt to trick Assistant Research Director McNiece into branding the Catholic Church as pro-Communist. Anyone who reads this report after a study of the committee record will be able to understand the Washington career of Wayne L. Hays and easily project it to its untimely end. The minority report, and Goodwin's separate statement, were both reprinted in "Tax-Free Foundations: A New Controversy," *U.S. News & World Report*, December 31, 1954. A comprehensive index to the Cox and Reece investigations was also printed.

74. Because the Ford Fund for the Republic was exposed by the Reece Committee testimony and majority report, its president at the time of the investigation, Robert Maynard Hutchins, sought to outdo his Cox Committee performance by heaping sarcasm and argumentative intimidation on Reece, the staff, and majority witnesses. See Robert M. Hutchins, *Freedom, Education, and the Fund: Essays and Addresses, 1946-1956* (New York: Meridian, 1956), pp. 201-7; reprinted in Reeves, *Foundations Under Fire*, pp. 112-20. In this volume, editor Reeves excerpted a portion of Wormser's book but neglected to reprint Reece's reply to Hutchins, even though both statements were made in the same forum. See Rep. B. Carroll Reece, "Remarks, National Press Club Luncheon, February 23, 1955, Made in Reply to Dr. Robert Maynard Hutchins," Extension of Remarks, *Congressional Record*, February 23, 1955. In this speech, Reece managed to answer the few specific things Hutchins had actually said, including the fact that the witnesses "of dubious standing" had been faculty members of Columbia University, Yale University, Harvard University, Northwestern University, and the University

of Pennsylvania. It is amusing that Hutchins, a late and venerated saint of the educational world, had first met Norman Dodd when they and *Encyclopedia Britannica* publisher William Benton were classmates at Yale and in 1957 had debated Dodd on the foundations before the Yale Club of New York. At this time Hutchins wrote Dodd a letter, asking if he would be willing to design a course of study which would clear Hutchins's name of the leftist tinge it acquired during the early 1950s. Dodd deferred the offer but recommended to Hutchins a scholar who might be able to help. See "Dodd Interview Transcript." The subsequent activities of the Fund for the Republic will be discussed later in the context of a consideration of the Ford Foundation.

75. *Reece Committee Hearings, Part II*, pp. 1191-92.

76. *Ibid.*, p. 1192.

CHAPTER FOUR

1. See chapter three, notes 20 and 21. The Carnegie Foundation for the Advancement of Teaching, which we should note here as it does not merit as full an examination as its three cousins, was established in 1905 to provide pensions to retiring college and university teachers. These grants were made to the schools, and the schools decided which teachers would receive the pensions. As a result, the ideological position of this foundation's work is not really its own but that of the orthodox institutions that received support from it.

2. See chapter three, notes 22-27. See also *Yearbook 1920* (Washington, D.C.: Carnegie Endowment for International Peace), p. 2.

3. Arthur Sears Henning, "Propaganda For World Peace Is On Grand Scale. Ten Million Dollars in the Endowment," *Chicago Tribune*, July 19, 1927. See also McIlhany, *A.C.L.U.*, pp. 115-22.

4. *Yearbook 1916*, (Washington, D.C.: Carnegie Endowment for International Peace), p. 33.

5. *Ibid.*, p. 34.

6. *Yearbook 1920*, p. 62.

7. *Yearbook 1925*, (Washington, D.C.: Carnegie Endowment for International Peace), pp. 49-50.

8. *Yearbook 1934*, (Washington, D.C.: Carnegie Endowment for International Peace), p. 22.

9. *Yearbook 1941*, (Washington, D.C.: Carnegie Endowment for International Peace), p. 117 in reference to the ILO. About this time there was also Mary Alice Matthews, compiler, *The New World Order (Select Bibliographies No. 10, December 12, 1940)*, (Washington, D.C.: Carnegie Endowment for International Peace, 1940, mimeographed library monograph).

10. *Yearbook 1947*, (Washington, D.C.: Carnegie Endowment for International Peace), pp. 16-17, Recommendations of President Alger Hiss.

11. *Reece Committee Hearings, Part II*, pp. 1215-17.

12. *Ibid.*, p. 1216.

13. *Ibid.*, pp. 1215-17. A good collection of data on the Foreign Policy Association

and its leftist personnel and writers is *The Truth About the Foreign Policy Association*, (Wheaton, Illinois: Church League of America, no date).

14. *Cox Committee Hearings*, p. 581.

15. Freda Utey, *The China Story* (Chicago: Regnery, 1951), p. 121

16. *Ibid.*

17. Letter, Joseph E. Johnson to Cody Fowler, September 27, 1950, p. 1. Copies of this and subsequent letters are in the Research Department, the John Birch Society, San Marino, California.

18. *Ibid.*, p. 2. See also C. P. Trussell, "Bar Group Accused By Carnegie Fund, Endowment Protests The Use Of Grant As Means To Fight Genocide Convention," *New York Times*, October 15, 1950, and "Bar Group Denies Peace Fund Misuse, Chairman Replies To Charge By Carnegie Endowment Head On Genocide Convention," *New York Times*, October 20, 1950.

19. V. Orval Watts, *The United Nations, Road to War* (Los Angeles: Foundation for Social Research, 1955), pp. 88-89, on the Genocide Convention. The proposed Bricker Amendment was offered at this time as a means to prevent treaty law from violating the U.S. Constitution. On this issue, see Roger Lea MacBride, *Treaties Versus the Constitution* (Caldwell, Idaho: Caxton, 1955). Literature distributed by the Carnegie Endowment to schools suggested just such a usurpation of U.S. legal sovereignty by the United Nations. See O. Frederick Nolde, *Freedom's Charter, The Universal Declaration of Human Rights* (New York: Foreign Policy Association, Headline Series Number 76, July-August 1949), pp. 52-53.

20. Letter, Alfred J. Schweppe (Chairman, Committee on Peace and Law Through United Nations, American Bar Association) to Cody Fowler, November 24, 1950, pp. 7-8. See Griffin, *The Fearful Master*, pp. 104-6 on Jessup's defense of Hiss and many identified Communist associates in the IPR.

21. Letter, Joseph E. Johnson to Cody Fowler, December 8, 1950.

22. Letter, Joseph E. Johnson to Cody Fowler, January 11, 1951.

23. Amelia C. Leiss, ed., *Apartheid and United Nations Collective Measures, An Analysis* (New York: Carnegie Endowment for International Peace, March, 1965).

24. Views of South Africa, more favorable than that presented by the American mass media, may be found in H. H. H. Biermann, ed., *The Case for South Africa as Put Forth in the Public Statements of Eric H. Louw, Foreign Minister of South Africa* (New York: Macfadden Books, 1963); Dawid de Villiers, *The Case for South Africa* (London: Tom Stacey, 1970); Douglas Reed, *The Seige of Southern Africa* (Johannesburg: Macmillan South Africa, 1974); and J. P. Van S. Bruwer, *South West Africa: The Disputed Land* (Cape Town: Nasionale Boekhandel Beperk, 1966). Less obvious than the problem of legalized racism in South Africa is the fact that the nation is burdened by a growing welfare state. On this matter, see Gary Allen, "They Are Surrounding South Africa," *American Opinion*, April 1978.

25. Nathaniel Weyl, *Traitors' End, The Rise and Fall of the Communist Movement in Southern Africa* (New Rochelle, New York: Arlington House, 1970); Ivor Benson, *The Opinion Makers* (Durban, South Africa: Dolphin Press, 1967), on the worldwide press campaign against South Africa; Pieter Lessing, *Africa's Red Harvest* (New York: John Day, 1962).

26. Griffin, *The Fearful Master*, pp. 3-64.